MAY, 1958

Credit and FINANCIAL MANAGEMENT

Consider the Individual Account on Its Merit in Figuring Turnover, Collection Percentage, Credit Executives Say
—A CFM Symposium

Conferees Emphasize Canada - U. S. Liaison

Evaluating Financial Status of Contractor

Modernizing Removes Paperwork Mountain

VOLUME 60 NUMBER 5

Presidents Call Long Range Outlook Bright *(See Page 13*

How to protect your receivables:

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FORM 7L

NATIONAL ASSOCIATION of CREDIT MEN

Credit Interchange Report

Guarding the Nation's Profits

OFFICES IN PRINCIPAL CITIES

------- CONSTRUCTION CO., ----------, NO. CAR. -------- COUNTY SEPT. 6, 1957

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BUSINESS CLASSIFICATION	HOW LONG SOLD	DATE OF LAST SALE	HIGHEST RECENT CREDIT	NOW OWING (INCLUDING NOTES)	PAST DUE (INCLUDING NOTES)	TERMS OF SALE	PAYING RECORD: DIS-COUNTS	PAYING RECORD: PAYS WHEN DUE	PAYING RECORD: DAYS SLOW	COMMENTS
CAROLINAS 822-2										
Elec	yrs	8-57	34719	4447		30		x		
I&S	1953	8-57	5202	1827		½-10-30	x			
I&S	1950	8-57	55100			½-10-30	x			
Hdwe	yrs	7-56	1465			2-10-30	x			
ALABAMA 822-2										
Bldg M	yrs	7-56	1233	576	209	2-10-30			15	
I&S	yrs	8-57	2600			½-10-30	x			
LOUISVILLE 823-351										
Bldg M	yrs	8-57	6133			2-10-30	x			
VIRGINIA 823-318										
P&H	yrs	8-57	1382	986		2-10			10	
CHATTANOOGA 826-215										
Bldg M	yrs	8-57	922			30		x		
GEORGIA [illegible]										
[illegible]	[illegible]	8-57	1618	1555	33	EOM			10	
[illegible]	[illegible]	8-57	7352	1360		½-10-30		x		
[illegible]	[illegible]	8-57	13267	8312		2-10-30	x			
[illegible]	[illegible]	7-56	819			1-10-30		x		
[illegible]	[illegible]	6-57	683	483	218	1-10-30			30	

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3

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4

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5

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Editor's Mail

Asks Bankruptcy Q and A

"I always enjoy reading your monthly publication. The articles are very instructive. I did enjoy the "Tax I. Q." Why not also include a Bankruptcy I. Q. each month? All credit managers should be interested in both subjects."

W. Wigg Henry
Division Credit Manager, Wesson Oil & Snowdrift Sales Co., Savannah.

A Refresher Course

"The article 'Top Bosses Require Tender Nurturing,' by E. T. McNally, (CFM February), was one of the best refresher courses we could receive on common sense."

Russell L. Coburn
Treasurer, Hilltop Dayton, Inc., Dayton, Ohio

New Ideas

"I enjoy reading your magazine and can always get some new ideas from it."

Clarence K. Jones
Vice President, Reno Newspapers, Inc., and President of Northern Nevada Board of Trade (NACM) Reno, Nevada.

Cover to Cover

"I read with interest the entire magazine each month, and I think you are doing a fine job."

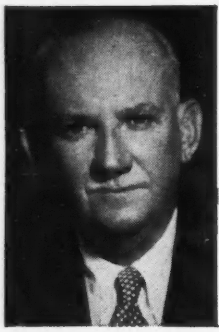
Robert L. Burr
Credit Manager, American Cast Iron Pipe Company, Birmingham, Ala.

Informative

"Your Insurance Issues contain very interesting and informative data on many various phases of insurance. Therefore, it is my humble opinion that your readers responsible for insurance management will benefit greatly."

L. M. Faetz
Insurance Manager, The Quaker Oats Company, Chicago, Ill.

The dictionary is the only place where success comes before work.
—Anonymous



EDITORIAL

Henry H. Heimann
Executive Vice-President

Statesmanship

THE decision of Senator Harry F. Byrd to seek re-election should be heartening to every citizen interested in sound fiscal policies. It is particularly reassuring to all credit executives. As in the life of the late Senator Carter Glass, his friend and fellow Virginian, Senator Byrd has stood firm and unflinching in his advocacy of economy in government. Nor is it fair or right to evaluate the effectiveness of his valiant fight for conservative financial policies by the extravagance of government in this day and age. Without his vigilance no one can know just how extravagant our government may have become. Senator Byrd has applied common sense and good judgment to his policy of economy of government. He has done this in a non-partisan manner. Our national debt limit, but for his constant efforts, might well today be considerably over three hundred billions of dollars. The value of his services to his fellow man and to our government is incalculable. He is a true and staunch guardian of sound credit ideals.

Senator Byrd's decision to stand for re-election, made with his ailing wife's concurrence, was not an easy one. His love of family has characterized his entire life. He is a man of great character and integrity, of honesty and industry. As governor of the historic State of Virginia and as its Senator he has contributed immeasurably to the principles of a sound economy. In 1949 the National Association of Credit Men presented him with the rarely bestowed Credit Merit Award.

His forthrightness, sense of justice and consideration for his fellow man stamp him a true patriot. He neither cajoles nor threatens. Hehas the facts before he speaks and the facts he marshals are incontrovertible.

People may say in general that statesmanship is a lost quality—gone with the years—but as long as we have a Senator Byrd as a public servant we can point to statesmanship of the highest order.

Our thanks to the Senator and his wife for his response beyond the call of duty. May his years ahead be years of comfort, happiness and the satisfaction of continuing to render outstanding service to a grateful citizenship.

In the News

WILLIAM L. MCGRATH, president of Williamson Heater Company, Cincinnati, was presented the Guide Post annual award for "distinguished service to the nation." Dr. Norman Vincent Peale, New York clergyman and author, made the presentation. Mr. McGrath was a speaker at the 1956 NACM Credit Congress.

EDWARD L. BLAINE, JR., senior vice president and director of Peoples National Bank of Washington, Seattle, has been elected President of Greater Seattle, Inc., organization which stages the Seafair celebration, of which he was Neptune Rex III in 1952. Mr. Blaine was president of the National Association of Credit Men for the 1946-47 term.

GEORGE W. SCHAIBLE, credit manager, General Electric Company, and vice president, Credit Men's Association of Eastern Pennsylvania, Philadelphia, has been appointed a member of the commercial law committee of the Pennsylvania State Chamber of Commerce.

L. H. LAMOTTE, executive vice president, International Business Machines Corporation, has been elected president of the Office Equipment Manufacturers Institute.

HILBERT FRANS, Holland Electric Supply Company, Grand Rapids, Mich., has been named district governor of the Optimists Club.

L. M. COX, vice president and comptroller, Employers Mutuals of Wausau, Wausau, Wis., has been elected president of the Insurance Accounting and Statistical Association.

G. ALBERT KNESEL, assistant vice president, Hibernia National Bank, New Orleans, La., and president of the New Orleans Credit Men's Association, has been elected president of the American Institute of Banking, New Orleans Chapter.

MARTIN J. TRAVERS, vice president, Marine Trust Company, Niagara Falls, N.Y., has been elected president of the Niagara Falls Chamber of Commerce.

FINANCIAL MANAGEMENT

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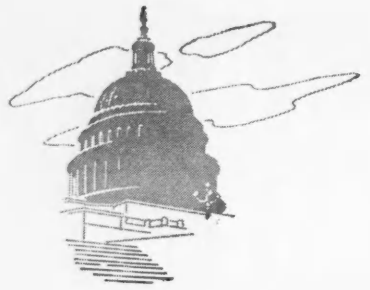


Washington

¶ PLEDGING the Administration to take any actions based on sound principles that would lead to a healthy economic recovery, President Eisenhower qualified that such remedies be considered "desirable and necessary" after consultation with Congressional leaders.

Emphasizing that private enterprise, rather than Government, is the key to recovery, the President took a stand "flatly opposed" to "make-work activity" (mass public works projects), calling it a program that would tend to "supplant rather than supplement private activity" and would threaten to "turn a temporary recession into a long-term economic headache."

He urged greater reliance on "natural operation of the free market forces" for lasting increase in farm incomes, with progressive elimination of wartime controls, eventual elimination of surpluses and the shaping of price supports to that end.

"We must help to build the kind of world in which peace can really grow and flourish," he said, "and two of the most indispensable building-stones are the Administration's Mutual Security bill and extension of the Trade Agreements Act."

He called the price support measure recently passed by the Senate "a 180-degree turn in the wrong direction" and indicated strongly that he would reject any plan to freeze farm price supports far above the Administration's 75 per cent floor. Later he vetoed the bill.

¶ TREASURY Secretary Robert B. Anderson expressed both economic and political objections to the proposal of Senator A. S. Mike Monroney to establish a second World Bank to make low-interest, long-term loans, partly repayable in local currencies, to underdeveloped nations, but said the plan would be studied "with all reasonable diligence." The senator is chairman of the international finance subcommittee of the banking and currency committee.

Mr. Anderson declared use of non-convertible currencies to stimulate trade among such nations would divert funds "from the financing of development in their own country to financing exports to other countries." From a political standpoint the secretary said that "the national interest requires the capacity for bilateral financing."

Paul G. Hoffman, former economic cooperation administrator, while favoring the Monroney idea and disagreeing with Mr. Anderson, said it would take two to three years to put the senator's plan into effect and meanwhile Congress should provide the $625 millions requested by the Administration for the Development Loan Fund, which makes bilateral agreements with underdeveloped countries for long-term, low-interest credit.

¶ THE HOUSE, which last August voted to raise the general rate on firstclass mail to 4 cents an ounce, turned down the Senate action for 5-cent postage on out-of-town mail.

The rate raises were aimed at offsetting steady increases in postal deficits, but the bill's proposed pay increases for postal workers threatened to offset the coverage of revenue deficits, now $700 millions a year and moving toward $1 billion deficit within a few years.

¶ SMALLEST crop acreage in more than 40 years is indicated, with the department of agriculture estimating that the plantings for harvest this year will be slightly under last year's low level. Much land will be withheld from production under the crop control measures and the soil bank program, which offer subsidy payments to farmers who reduce plantings of surplus crops.

Livestock feed grain acreage will be sizeably smaller, but food grain acreage is expected to exceed last year's. A possible 3.1 billion bushel corn crop is indicated, 1.077 billion bushel wheat planting.

¶ ANOTHER in the series of reductions in the reserves required by Federal Reserve member banks released approximately $490 millions in reserves which in turn makes possible an expansion of almost $3 billions in their loans as investments. A similar reduction of one-half percentage point had been made February 19th.

Banks already were operating with almost $500 millions in "free" reserves, so the latest move was not expected to make money much more available than it had been. The chief purpose was understood to have been to prevent a new Treasury financing of $4 billions from tightening money and credit for private borrowing. The Federal Reserve's moves toward easier money have not prevented a decline in bank loans and, in the sluggish demand by business borrowers, the banks have used the newly freed funds to buy securities, chiefly United States Government paper.

¶ THE FIRST major anti-recession measure of the legislative session, approved by voice vote in the House one minute after it had been called up, was signed by the President. It was a $1.85 billion emergency housing bill. The House also adopted resolutions approved by the Senate, urging the Administration to speed expenditure of funds previously appropriated for civil and military public works.

The President issued orders to rush work on $2.25 billions of private cooperative and local government projects aided by the Federal Government. Of the total, $75 millions were in new funds for the small-town public-works program.

¶ MORE THAN a million dollars worth of farm surplus crop production was averted in 1957 by the Soil Bank program, the Department of Agriculture estimates. Producers were paid $614,000,000 for retiring the land from production, and 914,819 farmers signed individual agreements under the program.

The department figures the surplus saving this way. Four hundred million bushels of wheat and corn and a corresponding amount of cotton, rice and tobacco would have been raised on the 21,300,000 acres of crop land withheld from production by the acreage reserve program. Additionally, farmers held 6,500,000 acres free from production of general crops. The two Soil Bank reserves therefore accounted for a total of 27,800,000 acres withheld.

OFFICIAL TEXTS — of all mobilization agency regulations may be had, free of charge, by writing the Information Division of the agency involved, Washington 25, D.C.

THE FEDERAL REGISTER—a Government daily publication, which contains full texts of all regulations, is available from the Superintendent of Documents, also at Washington 25, D.C.

¶ NATIONAL OUTPUT decreased at an annual rate of $7.4 billions (slightly more than 1.5 per cent) in the final quarter of 1957, and most of the drop was in inventories, changing from increase to decline, the Department of Commerce reports.

The decline was a bit larger in dollars than the preliminary estimates in President Eisenhower's Economic Report to Congress but essentially of no effect on the percentage. The earlier report, however, had underestimated decreases in inventories and net foreign investment.

In terms of the full year's $434.4 billion gross national product the differences between the two reports for the fourth quarter were small, and the full-year total was a half billion dollars larger than the earlier estimate.

In the final quarter the annual rate of the gross national product was $432.6 billions compared to the $440 billions peak rate in the third quarter of last year, and was $6.6 billions above that for the fourth quarter of 1956.

Reduction of inventories in the fourth period was at a rate of $2.7 billions a year; for the third quarter it had been at a $3 billion annual rate. Thus there was a $5.7 billion reversal of trend whereas $5 billions had been the earlier estimate of reversal.

Net foreign investment (excess of money being paid into the United States from foreign countries over the money being paid out) declined in the third quarter from a $3 billion annual rate to $2 billions in the fourth period, a half billion greater drop than the preliminary estimate.

Final purchases (made by the final buyer, whether person, business or a government) in the fourth quarter were at an annual rate $1.7 billions lower than the preceding quarter's peak figure. This "major shift" followed "a long series of previous quarterly advances averaging $5 to $6 billions." Personal consumption in final purchase was off from the third quarter's $283.6 to $282.4 in the fourth. A similar reduction in personal disposable income (income minus taxes) developed with falling employment and shorter work-weeks.

National income for the year was estimated at a peak of $358 billions; the previous peak was $343.6 billions, in 1956. Because data on corporate profits were lacking there was no estimate of rate of income in the fourth quarter, but the report said "a pronounced decline (in profits) appears to have occurred."

Four-fifths of last year's 5 per cent dollar gain over the 1956 record in gross national product was attributed to higher prices of goods and services.

Only Government spending was rising at the turn of the year.

¶ ATTACKING the ruling of the Internal Revenue Bureau that disallows write-offs of the cost of anti-public power advertising, private electric utilities leaders in New York declared they should be permitted to use advertising to meet any competitor and that the cost should be deducted as ordinary business expense. "Further encroachment by Government can only be prevented by an informed and aroused public opinion," declared Charles E. Oakes, chairman of the Pennsylvania Power and Light Company, speaking for the Edison Electric Institute.

¶ THE ADMINISTRATION has rejected Canada's request that its oil be exempted from voluntary restrictions imposed on oil imports into Washington State, Oregon and California.

¶ POTATO stocks held by growers and local dealers declined 15 per cent, to 67 million hundredweight, from Feb. 1, 1957. Depletion of storage supply this January was the second highest of record for the month.

Figuring the Turnover

Three-Month Moving Average Is Favored in a Period of Decline

HOW do you figure your turnover and collection percentages? A question always of paramount importance in credit management takes on special significance in time of economic adjustment, which can in turn warrant adjustment of traditional policies and procedures.

When the question was put to representative credit executives by CREDIT AND FINANCIAL MANAGEMENT, a common response was that in view of business conditions today the individual account must be considered on its own merits.

The replies herewith, all showing that a knowledge of trends in payment behavior is a prime objective of turnover study, bring out not only a variation in periods used to establish percentages of collections but also attention to analysis by district to allow for differences in sectional business conditions, such as seasonal climatic factors. One writer offers tests to determine the adequacy of the credit and collection procedure. Another emphasizes the advisability of close analysis lest a slower turnover be adjudged as evidence of laxity in management policy.—*Editor.*

Analyze the Trends by Comparing Prior Months, Quarters and Years

G. F. LANGENOHL
Treasurer and Assistant Secretary
Allis-Chalmers Manufacturing Co.
Milwaukee, Wisconsin

OUR objective is to minimize our investment in accounts receivable by controlling their quality and liquidity. Realization of this goal requires that we accurately measure our credit and collection performance.

We regard trends, as determined by comparing prior months, quarters and years, to be especially pertinent. A comparison of our collection results with other companies and with industry figures, we feel, also contributes to effective control of our receivables.

We regard the rate at which our receivables turn to be a significant indicator of collection results, especially when compared to prior periods, industry figures and other companies.

In computing monthly turnover we use the three months' prior sales converted to an annual rate, divided by the end of the month receivable balance. In determining turnover for our fiscal year we divide sales for the year by the average end of the quarter receivable balances. This basis of computing turnover largely reflects the nature of our business.

Our terms of sale are such that the current month's sales have only a nominal effect on the month's collections. Thus, our end of the month receivable balance is heavily weighted by the sales for the current month. Sales for the current month are in turn heavily influenced by the number of work days in the month. On the other hand, each of our quarterly periods has 13 weeks, and consequently basing our computation on quarterly results minimizes a variable which would otherwise distort comparisons.

We do not regard any one basis for computing turnover to be perfect. While we have found the basis we presently employ to be the most satisfactory, we are continuously checking our results, using several alternate methods.

Three-Month Moving Average Best To Determine Trends of Turnover

NORMAN C. ALLEN
Assistant Credit Manager
The Colorado Fuel and Iron Corp.
Denver, Colorado

DURING normal periods of business activity, annual sales may logically be the base for comparison with current accounts receivable to determine credit ratios. In a declining market, comparisons of sales and accounts receivable must be relative. A high daily sales figure, based on annual sales, divided into declining current accounts receivable balances results in a lower number of days turnover than would be normal. Trends established using annual sales figures could be a ratio in reverse to the facts.

The accounting figures for any one month—sales or accounts receivable—may have variations. Each month might include calendar variations, strikes, Acts of God. short work periods, or other abnormalities. Assuming that last month's irregularities will be adjusted during the current month, and the unusual items for the current month will be adjusted next month, then a fair period

Collection Percentages

Keep Uniformity in Mind to Obtain Data of Value for Comparison

for comparison would be three months. To determine trends, it would be in order to use what is known by statisticians as the "Three-Month Moving Average."

In calculating "Turnover," divide the total sales for the previous three months by 90 to determine one day's average sales, and divide the daily sales into the accounts receivable average for three months. The result is the number of days turnover. Reports supplemented by graphs will indicate the current trend with reasonable accuracy.

In calculating past due percentages, the same "Three-Month Moving Average" method will again give an accurate ratio. Divide the average past-due balances for three months by the average accounts-receivable balances for three months. As with turnover statistics, the resulting percentage when used with previous month's figures in charts will show an undistorted trend.

To be more accurate, all figures used should include adjustments removing large non-credit accounts from both sales and receivables.

From a practical point of view, in the year 1957, the normal method of calculating turnover did not indicate a change of trend until the last quarter of the year. Using the three-month moving average method, the current trend was indicated from mid-year. The current trend in past-due percentages started several months earlier.

The purpose of comparison is to be in a position to observe the signals in time to apply corrective measures before the situation gets out of control.

Close Analysis Needed Lest Slower Turnover Be Laid to a Lax Policy

WARREN A. SANDUSKY
Credit Manager
The Standard Register Company
Dayton, Ohio

It is essential that management of a company be constantly aware of the performance of its credit and collection function. A number of measures may be employed to evaluate the effectiveness of this function: accounts receivable turnover rate, ageing analysis, bad debt losses, lost sales reports, as well as others. We consider the accounts receivable turnover rate as one of the most revealing.

The credit department is responsible for an adequate turnover of accounts receivable so that sufficient cash will always be available to cover current expenses and to pay suppliers' invoices promptly. Hence it is necessary to know at all times whether there is a substantial portion of past-due accounts open, and whether some worthless accounts are being carried that should be charged off.

Different formulas may be used to figure the average collection period, but the one we use is: (1) Divide the total credit sales by 365 days to learn the credit sales per day; (2) Divide the average accounts receivable by the credit sales per day to determine the average collection period.

$$\frac{\textbf{Credit Sales}}{\textbf{365 days}} = \textbf{Daily Credit Sales} \qquad \frac{\textbf{Average Accounts Receivable}}{\textbf{Daily Credit Sales}} = \textbf{Average Collection Period}$$

During certain periods when sales are at a peak, a monthly turnover rate may not give an accurate analysis of accounts receivable as the total receivables will be unusually high. In such cases, for a correct appraisal, it is important to figure the turnover rate on the preceding twelve-month period.

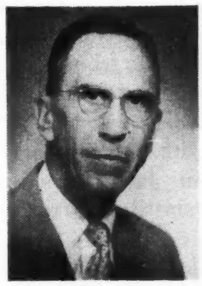
A satisfactory turnover will vary, depending upon the terms of sale. For instance, a company selling on net 30 terms may be satisfied with an average collection period of 40-41 days, while another selling on 2% 10, net 30 will expect a more rapid turnover.

Several factors may be involved if the turnover rate increases beyond what has been established as normal. A close analysis should be made, as slower turnover may be attributed to a laxity in credit policy, or it's likely the collection procedure should be accelerated.

There are other good ways to measure the condition of accounts receivable but the method outlined above has proved effective in our company.

Statistics Made Up by Districts Allow Sectional Study of Trends

DOUGLAS N. McBRIDE
General Credit Manager
Cluett, Peabody & Co., Inc.
Troy, New York



For many years we have kept records designed to assist in evaluating credit activities and give us some basis upon which to lay plans or make policy decisions. Accounts receivable turnover and collection percentages, of course, are included. Our records are kept on a geographical basis, with the United States divided into 23 regions, and our statistics are made up for each district

so that trends in the various sections of the country can be compared.

For a long period during and following the war, with credit problems at a minimum, these figures did not mean much to us because the few accounts which were slow represented such a small part of our accounts receivable that their delinquency had no appreciable effect on our percentage of collections or accounts receivable turnover. In common with other manufacturers in our industry, however, a change in the paying ability of some customers was noted about 1955 and the years 1956 and 1957 saw an increasingly large number in this slow category, so turnover of accounts receivable and collection percentages, along with our other records, now have more significance than they had in those trouble-free years.

To obtain our turnover of accounts receivable, we divide our year's credit sales by our average accounts receivable. Since our accounts receivable fluctuate materially from month to month due to seasonal demands for our products, we arrive at our average by adding the accounts receivable balances at the end of every month in the year and dividing that total by 12. We feel that the resulting turnover figure is much more reliable than it would be if the accounts receivable figure used was as of the end of the year or an average based on less than 12 months' balances. Our rate of turnover on this basis has decreased very slightly in each of the past three years.

Dividing 365 by this yearly rate of accounts receivable turnover gives us the average age of our accounts receivable.

Turnover is helpful in observing trends but we feel that the "percentage of collection" figure is of much more direct help to the credit department in evaluating the results of its own efforts and in making adjustments in collection or credit policies that seem to be called for promptly. The percentage of collection figure is used constantly. We develop it for the various sections of the country. We also group the sections so that percentages are available for the territories as handled by individual credit managers, giving us worthwhile comparative figures.

Our sales are made only to retail stores and we have only one set of terms, namely, 3/10 E.O.M. with a cutoff date of the 25th.

Until a few years ago, our percentage of collections was figured by using the accounts receivable at the beginning of the month and the collections during that current month, but this percentage figure fluctuated so widely from month to month that it was of little value. The fluctuation was caused by the amount of merchandise which was shipped after the 25th of the previous month with the invoices not payable in the current month. If our factories shipped a large proportion of the month's sales during the last five days, the percentage of collections the following month would be small; if the proportion of shipments was light in that five day period, the collection percentage would be large.

For the last few years we have used the accounts receivable at the beginning of the month and adjusted that figure so that it represented only the amount actually due and payable in the current month. Collections against this figure have some significance and can be used with confidence along with our delinquent lists and ageing of accounts.

Also, under this method the forecasting of cash receipts becomes simple and accurate, as collection results follow closely the pattern set during preceding years for the corresponding month. Hence it is necessary to adjust this percentage only by current changes in conditions as brought out by collection percentages during the previous two or three months.

Individual Account Now Must Be Considered On Its Own Merits

EDWARD HEINE
Credit Manager and
Assistant to President
The Seinsheimer Company
Cincinnati, Ohio

SOME months ago we made a most intensive review of our sales and financial policies to determine what we wanted our ratios to be, rather than have our ratios force us to realize that we might have to change our policies.

At present we are not paying too much attention to the ratio of cash received to accounts receivable outstanding; nor to the socalled "average collection days" figure. We are trying to be as practical as we possibly can, rather than interpret figures on straight statistical principles without taking all factors in consideration. We helped fashion these averages with our eyes wide open.

The 1957-58 period has shown many similarities to 1940-41, when our sources of distribution counted upon us, and others in the field, to help them with their problems of working capital. This is really the first year, since our entry into World War II, that we have had substantial requests for "extra time."

Our business is seasonal, for the retailer places his orders in March and April for delivery to his store from August through October. However, he is paid by his customers anywhere from November through May of the following year. The retailers have had to resort to granting extended terms to their customers in order to keep up their high level of sales, and extended terms mean additional working capital needed. The traditional sources of working capital have been from the retailer's own savings, banks, or his suppliers. We know many instances where the first two sources mentioned have been exhausted, and the retailer is now turning to the manufacturer. We might add that competitors are assuring themselves adequate distribution by going in for vertical organizations, either buying retail stores or making substantial investments in them, of cash or "frozen credit."

Previous to the last half of 1957, we rarely allowed any "dating." However, we appreciate the retailers' present problem. We feel it is of a temporary nature and deserves consideration. We are granting "extra time" in deserving instances, and that is one of the major factors that must be considered when we speak of accounts "slowing down."

Collections are not as good as they were a year ago, but are our terms of sale the same as they were a year ago? To be honest with ourselves we must admit they are not the same, for they have been modified in some instances, especially when we ship seasonal merchandise substantially before the season opens and where we have made thorough studies of the needs of certain accounts.

The standard methods used to determine turnover of accounts receivable or to compute "average collection days" cannot be applied to conditions that prevail at this time. What we are doing is keeping a record of past due accounts by number and dollar volume, and comparing this to our total seasonal volume to see how much of our volume is being done with accounts that take longer to pay than our terms of sale specify. Generalizations are specious, for every credit executive knows that the individual account must be considered on its own merits. A large volume user taking extra time in one month can make your ratio look bad, but when the account is paid the next month, the ratio looks good. We set up an overall plan and thus far it has worked out as we anticipated.

Suggested Tests for Determining Adequacy of the Credit Procedure

JOSEPH ARKIN
Certified Public Accountant
New York, New York

WHEREVER you turn you hear the comment that collections are "slow." Hence the subject of collections is now more important than ever to management in these days of economic adjustment.

The accounting profession has emphasized sound and practical business methods—particularly in the handling and collecting of accounts. To be successful, a business must steer the right course, under management of high caliber, and the executives must keep informed of the company's status through an adequate system of accounting. Here are suggested checks on the adequacy of credit procedure.

Any business must pay someone for the use of capital it has invested in its accounts receivable; for borrowed capital it must pay interest, and for the amount stockholders have invested, it pays dividends. Uncollected accounts receivable represent capital furnished gratis to debtors. Therefore it is evident that the cost of such capital must come out of the margin of profit resulting from sales. The amount of profit in a sale is limited at the time the sale is consummated. No matter how long the account is permitted to run, the profit does not increase. On the other hand, the longer the account is unpaid, the smaller the return realized on the investment, the heavier the collection expense, and the greater the possibility of bad debts.

An accepted method for computing the percentage of collections is on the basis of turnover. The most effective way to compute the turnover of accounts receivable is to divide the average daily sales into the average amount of the outstanding accounts receivable at the close of the accounting period. For example:

Accounts Receivable, beginning of month	**$ 30,000.00**
Increases in receivables-(from Sales)	**20,000.00**
Total	**$ 50,000.00**
Less: Accounts collected in the month	**15,000.00**
Amount due at close of current month	**$ 35,000.00**
Average working days per month	**22**
Monthly average of accounts receivable ($30,000 plus $35,000 divided by 2)	**$ 32,500.00**
Daily average of charge sales	**$ 909.09**
Daily average sales outstanding and not collected	
$ 32,500.00 / 909.09	**35.75 days**

The foregoing shows that it would require 35.75 days to sell as much merchandise as would equal that consumed in uncollected accounts receivable.

The next test is to compare the credit period with the nominal credit period. It does not matter, in this test, if the terms are 30, 60 or 90 days. This is done in this manner:

$$\frac{\textbf{Accounts Receivable at end of accounting period}}{\textbf{Sales for this period}} \times \textbf{Months in accounting period is equal to average credit period.}$$

Using the figures given previously, it might be easier to follow.

$$\frac{\$\ 35{,}000.00}{\$\ 20{,}000.00} \times 1 = 1.75^*$$

This would indicate that the average credit period of accounts receivable outstanding is 1.75 months, although the credit terms are 30 days.

Another method of computing the percentage of collections is on the basis of outstanding accounts at the close of the period immediately preceding that under review. The formula would be the amount of outstanding accounts receivable at the beginning of the period divided into the collections for the accounting period, to get the percentage of accounts receivable collected in the current period.

*Alternate method is to use the average of the accounts receivable at beginning and end of month $\frac{\$32{,}500.00}{\$20{,}000.00} \times 1 = 1.62\tfrac{1}{2}$

Using again the figures previously given, we have:

$$\frac{\$\ 15{,}000}{\$\ 30{,}000} = 50\%.$$

This tells us that 50 per cent of the previous period's accounts receivable have been collected in the current period. (One exception would be collections of sales made in the current month from very prompt payers.)

To obtain results of value, we must not lose sight of uniformity. In computing the percentage of collections, you are seeking information for comparison. Comparative figures would have more meaning and substance if an entire industry adopted the same method of computation.

The information for preparing these statements must,

of course, be taken from the accounting records. To procure these results does not require that the system be elaborate, but that it be modern.

The office is the pulse of any business, and, unless it is organized on the proper basis, reliable data for management will not be available. Many companies have come to grief because of deficiencies in office methods and credit procedures.

Pressure Eased in North Latitudes During Lull of the Winter Months

ALBERT PAULY
Office and Credit Manager
Samuel Cabot Inc.
Boston, Massachusetts

OUR business, which is primarily the manufacture of paints, stains and building specialties, with emphasis upon exterior finishes, is subject to the peaks and valleys of a seasonal operation. This fluctuation applies not only to sales but to collections and turnover of receivables as well.

There are several variables that interrupt the smooth flow of collections. One is the matter of datings. In the winter months we give spring datings to our distributors, for the dual purpose of reducing the inventory in our warehouses and having the material on the customers' shelves when needed. Other variable elements are the weather and location. It is natural for business to slow up in northern latitudes during the winter months, and we have to take this fact into consideration in our credit policy. It calls for easing the pressure.

How Comparisons Are Made

We find the collection percentage each month by dividing the amount collected for a given month by the total amount of the receivables outstanding on the first of the month.

Another comparison that we make is to determine the average number of days outstanding for receivables. Using a formula followed in the paint industry, we divide the sales of a given month by the number of working days of that month. This gives us the average sales per working day. We then divide this average sales figure per working day into the receivables as of the *first of the succeeding month*. This gives us the average number of days for outstandings.

Another comparison that we find particularly valuable for us is a list we make up each month of all accounts beyond a 60-day period. By comparing the number of accounts on this list with similar months in previous years, we get a speedy indication of the up or down trends in paying habits. At quarterly intervals we age these overdue accounts on a monthly basis for further comparisons.

Some of my friends use other comparisons. One is to combine the total of receivables at the first of the month with the total sales for that month. This total is then used as a basis for comparison with the collections of that month to get the desired percentage of collections. Some also use the total days of a month, instead of only the working days of the month, in order to determine the average number of days for the outstanding receivables at the first of the following month. Whichever methods are used, the important consideration is that a uniform base be used from time to time.

We find that our most valuable information comes from comparisons with our own past performance, using similar months of past years as the basis for these observations. We also use the figures of the paint industry, but our analysis indicates that using the figures of the industry as a whole, the peaks and valleys have been somewhat smoothed out and the fluctuations from the median are not as great for the whole industry as in our own figures. However, the figures that we obtain on the whole industry are of interest because they do indicate the trends.

In actual percentages, our collections for a given month range from an off season 44 per cent to an active seasonal high of 87 per cent, with a yearly average of about 73 per cent.

The average number of days for outstanding receivables varies from 41 days in the off season to about 23 days in the active season, with a yearly average approximating 30 days.

General Comments

We try to keep our accounts within a 90-day period during the active season, but in the slow season we do give further consideration.

When the winds are fair and all is smooth sailing, the credit manager does not have to lose too much sleep, but when clouds appear on the horizon as they did during the latter half of 1957 and as they appear at present, the credit manager needs to muster his best judgment. This is not a time for putting the pressure on all delinquent customers with equal force. Each account must be considered by itself, to try to determine what is best for the customer as well as the company. Errors in policy at this time by the credit department may cost the concern many dollars of sales later.

I have in mind a typical experience that occurred in the early thirties. One of our midwest customers was having hard sledding in the conduct of his paint and hardware store. The wolves were after him. We gambled on him because he had much more at stake in the business than we did. We quote his words, "This business is my life. Give me time and I will pay. Those who stick by me now will be rewarded later." He came through and is still giving us a nice volume of business. Some of the concerns that gave him trouble at that time are still trying to get back into his good graces, but he has a memory like an elephant. Yea, verily, the line of demarcation is mighty thin.

"A man should never be ashamed to say he has been in the wrong, which is but saying in other words that he is wiser today than he was yesterday."

—Pope

Canada-U.S. Cooperation Highlights Joint Conference at Vancouver, B.C.

MUTUAL opportunities for company growth by continuing practicable cooperation and understanding across the Canadian border were emphasized in formal addresses and panel discussions at the 36th annual Northwest Conference of Credit Executives, in Vancouver, B. C. Credit managers of Washington State, Montana, Idaho. Oregon and California were guests of the British Columbia Association of Credit Men.

Trevor O. A. West, national president of the Canadian Credit Men's Trust Association, briefly addressing the opening day's joint luncheon, noted the complexities of financial management today and pointed up his confidence in their solution.

President J. Allen Walker of the National Association of Credit Men, underscoring "Opportunities of Credit Management," urged positive realism in approach, cautioned against excesses in mood, and called the financial difficulties during a recession a "test for credit skills."

Presidents Call Long Range Outlook Bright

(Picture of Presidents West and Walker on front cover)

President Trevor O. A. West of the Canadian Credit Men's Trust Association and President J. Allen Walker of the National Association of Credit Men reviewed with satisfaction the accomplishments of the Credit Conference.

They released a joint statement on behalf of their respective organizations having a total membership of 40,000 business firms and banks throughout Canada and the United States.

While recognizing that their countries are in a business recession, both men believe it will not become either deep or prolonged.

"This business downturn should be faced as a temporary and normally recurring business problem," the statement read. "The long range outlook for both countries is bright.

"Just as each country has domestic problems from the recession it is only natural that there will be some international problems. Let us seek solutions to these problems by keeping them in proper perspective. In those areas where there are differences of opinion all of us should, based on intelligent self-interest, work toward a better understanding in order to eliminate the causes, whether real or imagined.

"Let us sincerely try to find the causes of any frictions that may exist or develop between our countries. Some explanation of conduct can be found in the fact that basically men are inclined to believe that arrangements agreeable to themselves are beneficial to others. While this self-interest gives bias to man's judgment, we should remember that it seldom corrupts his heart.

"Our countries are neighbors, committed by geography and self-interest to a partnership. This Conference once again demonstrates that the more we understand each other the better we all like the partnership. Conferences such as this one improve materially the contribution business receives from sound credit management. Equally important in times like these, it provides an ideal method of communication. Communication between persons of good intent assures better understanding."

Cites Three Developments

Sustaining forces are countering adverse trends, said the general credit manager of Standard Oil Company of California, San Francisco. He cited three developments. Keener competition raises the question: 'How well can we learn to distribute an abundance?" The new era "requires increased skill in dealing with distressed customers." The third development is "a growing recognition of the part business or commercial credit plays in our economies." Conditions, he said, point up the need for qualified credit management which, through self-development, can assure unimpeded flow of cash from receivables, and relationships that will achieve sales and financial objectives at reasonable cost.

Professor John J. Deutsch, University of British Columbia, in his keynote address stressed important differences, as well as the many similarities, between our peoples, and urged better understanding of the complex economic relationships, through mutual discussions.

A. G. Bailey, vice president and general manager, Bailey-Selburn Oil and Gas Ltd., Calgary, Alta., bespoke his confidence in "The Future of the Canadian Oil Industry," at the second day's forenoon session, and urged a continental policy of oil marketing.

Two panel discussions followed. "What I Expect—," with P. Brown, Victoria representative of the local board of governors, as moderator, had these panelists: W. Jones, Seattle, for credit managers; R. F. Watson, Portland, bankers; George Cairns, Vancouver, sales managers; and W. Eilers, Vancouver, for customers. "Fighting Words" was the title of the afternoon discussion, with moderator D. Lawson, British American Oil Co., Vancouver, and these members: E. L. Blaine, Peoples National Bank of Washington; J. Newton, of Marshall Wells (B. C.) Ltd.; G. C. Montgomery, of Taylor, Pearson & Carson (Canada) Ltd., Edmonton; and R. Ross, General Paint Corporation Canada Ltd., Vancouver.

O. J. Ostlund, Bank of California, Tacoma, was elected president of the Northwest Council.

At Thursday's luncheon a certificate for outstanding service was pre-

(Concluded on page 19)

MANAGEMENT AT WORK

.... a problem case is solved

By K. T. BACON
Assistant Treasurer
Minnesota Mining and Manufacturing Company
St. Paul, Minnesota

FELLOWSHIP is a word of many meanings and significances. The values of fellowship with others engaged in a profession or in a trade organization can be general, through discussion of common problems and projection of thought toward new perspectives. They can also be practicable in application to a specific instance of department operation.

In the case histories before us, the friendships acquired in district and national gatherings of credit executives, particularly in Industry Group Meetings, spelled out in one situation the approach to obtaining an account that might have gone to a competitor, and in the other no doubt forestalled a credit loss.

We had a situation in which a processor was buying one of our highly competitive products, processing it, and then selling to a nationwide organization also on a competitive market so far as he was concerned.

It was business which we would not secure through other channels—a take it or lose it proposition.

Credit 8 Times Net Worth

It was not necessary that the processor have a large investment in order to do a satisfactory job. Therefore it was up to us, if we were to get the business, that we extend a line of credit each month equal to eight to ten times his net worth. Approximately 15 days were required to process the material; furthermore, our customer had to wait about 30 days for his money. This made it necessary for us to extend credit for at least 45 days, in which time the account would build up to sizeable proportions.

Another dilemma: we knew that the processor had a reputation of living up to the full extent of his income, so we had to make certain that we would get *our* money.

Looking around for a method of procedure that would give positive assurance that we would be paid, the direction of our first thought was toward an assignment. Our sales department demurred, fearful lest the national consumer would object to accepting an assignment and would turn to other processors, better set up financially, who also might be able to turn out a satisfactory product.

Acquaintance Carries the Ball

Here the acquaintanceships struck up at Credit Congresses and district conferences paid dividends. It so happened that one of the credit executives we had met represented the national consumer in this case. We made contact with him, explained our problem. We pointed out that we did not want to do anything that would disrupt the placing of this order and future orders but that we did feel an assignment was advisable.

Understanding the situation from a credit point of view, he volunteered to carry the ball for us within his own organization so that there would be no disruption of a very pleasant relationship. The arrangement was completed, the order filled and the way cleared for subsequent uninterrupted business.

Another Case History

Here is the second incident we have chosen in order to illustrate how friendship pays off. We had been selling an account for many years with good results. They had been purchasing approximately $1,000 worth of our products on the average of once every other month, and payments were prompt. Because they were paying their bills they had not come up for a credit review for some time, and, therefore, we had no indication of a downward trend in their stability.

Three large manufacturers were extending substantial amounts of credit to this firm. Although smaller suppliers like ourselves were being paid promptly, the account was leaning more and more heavily upon those three for support. When the situation had become quite intolerable the credit manager of one of the large companies decided to call on the jobber and analyze the problems at firsthand. He found the condition even worse than he had suspected, and proposed calling in the other two large suppliers to assist in working out a plan of arrangement. To this the manager agreed.

While he was there a truck arrived with our latest shipment of merchandise. As a friendly gesture toward us, he convinced the manager that it would not be ethical to accept this shipment in view of the facts that had just been disclosed. He received

STARTING as a bookkeeper in 1928 at Minnesota Mining and Manufacturing Company, St. Paul, K. T. Bacon after two years entered the credit department, became assistant credit manager, advanced to credit executive in 1950, and last year was named assistant treasurer.

Mr. Bacon, who was elected to the board of directors of the National Association of Credit Men at the 61st Credit Congress, had studied accountancy at the University of Minnesota and has the Executive Award of the Graduate School of Credit and Financial Management (Dartmouth 1957). He was 1955-56 president of the St. Paul Association of Credit Men.

permission to advise us of the circumstances and informed us by phone. We, of course, were happy to give permission to have the shipment returned and thereby we did not become a party to what subsequently proved to be a very involved and lengthy plan of arrangement, which paid very little to general creditors.

Many Instances of Cooperation

These instances of cooperation within the credit fraternity are only two of many wherein associations and friendships have resulted in direct advantages to us. We have benefited, too, from the exchange of ideas in many areas of credit—from office procedure to the special handling of large and unusual transactions.

Then there is the opportunity to help other acquaintances in the credit field who might call on us for advice. The value of goodwill to a company, through these contacts, should not be underestimated. It is difficult to judge which gives us the greater feeling of satisfaction—to have a friend to go to when we have a problem or to assist others to solve theirs. Both situations point up the value of becoming well acquainted with credit executives representing organizations that sell in your territory and to your customers.

Shortage of Clerical Help May Slow Automation Pace

The availability of the man, or the girl, to push the buttons may well determine the fate of automation progress, as the mechanical wizards open up new avenues to improved business controls, notes Office Executives Association, New York Chapter NOMA. Its analysts find, in reviewing the growth of mechanization of office operations over the past several years, that demands for employees of medium and high clerical skills have increased, while lower skills have dropped but slightly.

Wage-Hour Record File

Under an amendment to the Walsh-Healey Public Contracts Act proposed by Secretary of Labor James P. Mitchell, the time period requirement for firms holding government contracts in excess of $10,000 to keep wage and hour records of employees on file, would be cut from four to three years.

Evaluating the Financial Standing of a Contractor

Focal Points: Statutory Factors, Receivables, Jobs in Process, Inventory

APPROACH to the complicated evaluating of the financial standing of a contractor entails close study of not only the three-way key to solvency and liquidity—accounts receivable, jobs in process, and inventory — but also of statutory factors or secondary measures, such as mechanics' liens, payment bonds, suretyship agreements, guaranties, orders to pay direct, assignment of claims, title retentions, and special arrangements, says Thomas G. Morris, assistant secretary - treasurer, Pittsburgh - Des Moines Steel Co., Pittsburgh.


T. G. MORRIS

In the construction industry, the accounts receivable do not represent the true value of work actually accomplished or money earned, because a portion of the asset is represented by completed transactions and the balance is made up of partial billings, merely estimates, on uncompleted contracts, the president of The Credit Association of Western Pennsylvania points out. "On many occasions the receivables are less than the actual value of the work performed, due to the latitude permitted and the liberties taken in determining the allowable amount of progress estimates earned by a contractor."

Federal and Municipal Patterns

Some basic patterns are evident, however, he notes. Most lump sum construction contracts with the Federal Government provide for monthly payments based on the estimated value of materials furnished and work performed; from each such estimate 10 per cent is deducted or retained until the project is 50 per cent physically completed, with subsequent estimates payable in full, so that effectively 5 per cent is retained until completion and acceptance of the contract. In municipal contracting, the amount retained from monthly estimates varies from 10 to 20 per cent, with no provision for lessening the amount retained until acceptance of the completed job.

In industrial contracting the more liberal returns provide for a substantial payment upon shipment to the job site, a further payment when erection begins, and the balance payable upon acceptance of the finished job. Monthly estimates also may be used. Variations from these basic methods depend upon local customs.

"Complications with retainages in industrial contracting are experienced because there is no uniform or required procedure followed in the recording of these amounts," says Mr. Morris. "Some contractors book only the net amount of each estimate and do not record the retainage as a receivable until completion, whereas other contractors record the retainage as a receivable at the time the estimate is allowed. If retainages are posted they may be listed separately or included under the general caption of Accounts Receivable."

Posting, however, is often deferred not merely because the date of payment is uncertain at the time the receivable is created, but because it produces an understatement of the value of the receivables asset. Its impact is reflected by a corresponding overstatement in the Jobs in Process account. Obviously, if much credence is placed in the ratios of receivables to sales or receivables to inventory where retainages are posted as estimates are allowed, results will differ more widely than where posting is deferred until completion. Frequently, too, the maturity of the receivables representing completed transactions is unknown to the contractor, either due to the subcontractor's difficulty in securing acceptance or because, in the case of receivables due from a prime contractor, considerable time may lapse before realizing on the receivable. This may be due in some measure to failure to exercise diligence at the time the contract is negotiated. This negligence is not limited to the small contractor, but is a fault frequently found among the larger contractors as well, he points out.

Mr. Morris outlines the approach of Pittsburgh-Des Moines to this type of situation. "We negotiate with the other party to a contract so that the date of payment is fixed with certainty. Generally we agree to accept monthly estimates payable by a stated time in the month following that in which we perform our work, with the express stipulation that final payment shall be made within 30 days after completion of the project, but in no event later than 90 days after full completion of our portion of the project. Prime or general contractors usually are precluded from negotiating terms, particularly if they submit bids in response to a publicly advertised invitation based on prepared plans, conditions and specifications.

"Work on Jobs in Process" represents the difference between the costs posted to the job ledger and the amounts invoiced the customer. If

"Complications with retainages in industrial contracting are experienced because there is no uniform or required procedure followed in the recording of these amounts. Some contractors book only the net amount of each estimate and do not record the retainage as a receivable until completion. Other contractors record the retainage as a receivable at the time the estimate is allowed. If retainages are posted they may be billed separately or included under the general caption of Accounts Receivable."
—T. G. Morris

"He that falls in love with himself will have no rivals."
—Benjamin Franklin

such costs exceed the amount invoiced, it is an asset; if the converse is true it is a liability. "Jobs in Process" pertains to uncompleted transactions and consists mainly of charges from the inventory account plus various direct costs, such as labor and special purchases of material, as well as certain indirect items such as overhead. Since a contractor may be involved in many contracts that are processed at the same time, and as these vary as to the degree of completeness, it is most difficult to ascribe the true value of "Jobs in Process" in analyzing a financial statement. An amount reflected either as an asset or liability in the "Jobs in Process" account is not a true indicator of profitability or loss of the operations involved."

Basis for Income Tax Purposes

Many contractors, the executive notes, operate on a completed job basis for income tax purposes. Under this system no portion of the profits or loss is recorded in the income statement until such time as jobs are completed. "As costs are not proportionately related to the percentage of completion, there have been many instances where a job at, shall we say, 90 per cent complete, have reflected a profit on the books but resulted in a loss when the final costs have been determined and the full extent of the work known. The converse of this is also true."

Other contractors may report on a percentage of completion basis. Under this method the contractor invoices the customer for work completed in accordance with an engineer's determination of the work completed. From this, expenses actually incurred are deducted to determine the profit or loss. Where the profits and losses differ from actual results (and this can be determined only upon completion of the contract), adjustments are made in the year of completion. If the "Jobs in Process" account reflects a credit balance it is unearned income until completion of the contracts comprising the balance, Mr. Morris explains.

In some instances a contractor may have invoiced more than the costs posted to a particular job ledger. In other cases the costs may exceed the amount billed. The usual practice is to lump together all of the various results to determine the aggregate "Jobs in Process" figure. Some contractors, however, distinguish between those cases where the costs as posted exceed the amounts billed and situations where the reverse is true. Under this procedure the excess of costs over billings is reflected as an asset, while the excess of billings over costs is separately reflected as a liability or as deferred income.

Inventory Accounting

In "Inventory" accounting, considerable variations are also permitted, Mr. Morris observes. For example, the small contractor generally uses a specific cost basis where items purchased are charged directly to the job involved. Larger contractors who perform some of the work themselves may stockpile inventory and use one of the several recognized inventory recording methods such as Last in—First out, First in—First out, Specific Cost Basis, or a combination of these.

"In transferring 'Inventory' into 'Jobs in Process,' each of the permitted methods currently affects profit and loss differently. Over a protracted period, however, the effect is generally leveled out and equalized. The varying procedures may defer or accelerate the taking of profit or loss. Also the value of Inventory may be subject to adjustment if management elects to create an Inventory Valuation Reserve. In such cases accounting authorities and the Securities and Exchange Commission recommend that the Inventory Reserve not be deducted from the asset value, but be shown as a reserve in the Liabilities and Net Worth section of the statement.

"If the Reserve is not so shown, the value for statement purposes would be understated and perhaps misleading.

"Some contracts permit inclusion of preparatory work in determining a monthly estimate. For example, if a sizable project is underway, it may be possible to negotiate the terms of payment so that some amount is received for such items as engineering, drafting, materials and labor expended on processing the contract prior to shipment of the materials to the job site. In these instances the practice is to post an invoice, equivalent to such allowances, to Ac-

counts Receivable. At such times an entry should be made against the Jobs in Process account credit by making a charge from Inventory which would then be correspondingly reduced. If this is not done, the Inventory will be overstated at the expense of the Jobs in Process account. In addition it would be desirable to have a footnote appended to the Balance Sheet showing that a portion of the Inventory has been pledged, or belongs to, another. Frequently when this type of payment is authorized the owner may require your insurance policy be amended to reflect the owner's interest in your inventory account."

Fixed Assets

Of Fixed Assets Mr. Morris declares that it is desirable to know their composition and age and condition of components. "The importance of understanding the composition of a contractor's liabilities and of scrutinizing his pay records also cannot be overemphasized. Net Worth reflects the investment of the owners as compared to the creditors. Surplus should indicate ability and capacity to produce earnings and, as a clearing account, should reflect the progress or retrogression of the business. The Capital Account should also be reviewed to determine the scope of ownership. If control is vested in a few it would be well to know something of the background of those individuals.

Operating Statement

"The Operating Statement should be reviewed to determine the reasonableness of the larger expenditures. Comparison of Operating Statements should be made on a fairly long-range basis, since the impact of a single job, profitable or unprofitable, may be tremendous on the results for the year in which that job is closed. In conjunction with the Operating Statement consideration should be given to possible hidden liabilities of which the contractor is unaware. A good example is the 'hold harmless' clause now frequently embodied in contracts. This makes the contractor liable not only for his own negligence but for negligence of others. This can be covered by insurance, either on a specific contract or on an overall contract basis. This is of considerable importance, particularly since awards in the case of accidents

THOMAS G. MORRIS, assistant secretary-treasurer and board member of Pittsburgh-Des Moines Steel Company, in Pittsburgh, joined the company in 1937 as assistant credit manager.

Mr. Morris, president of The Credit Association of Western Pennsylvania, attended Duquesne University. He has the Executive Award of NACM's Graduate School of Credit and Financial Management (Dartmouth 1952).

have shown a tendency to increase in amount.

"It is also necessary to look beyond the contractor's financial and operating statements to determine the worth and ability to pay of those for whom the contractor will perform the work. In no other industry are statutory factors so widely employed as they are in construction. These should be considered, regardless of the financial worth of the contractor. These statutes vary from state to state, both as to terms and filing requirements. Vigilance is required, together with understanding, in order to take advantage of this additional protection."

Commercial Finance Industry Sees Volume Up 20% in '58

Commercial finance companies and factors of the country completed a year of record activity in 1957, handling the largest volume in their history, and the outlook for the months ahead, reports William J. Drake, executive vice president, National Commercial Finance Conference, Inc., is for no slackening of demand for their funds.

Volume for both commercial finance companies and factors in accounts receivable financing approximated $11.5 billions in 1957, compared to the $1.4 billions financed by them in 1941. Commercial finance companies chalked up an 18 per cent increase over their volume of $5.6 billions in 1956. Factors were approximately 15 per cent above the $4.3 billions in the same period. In the last decade, alone, the capital structure of the typical finance and factoring company has increased some 300 per cent.

Commercial finance volume this year, he said, may be 20 per cent over the 1957 figure. Factors believe they will better their 1957 record, and set a new high, Mr. Drake reports. Financing of government contracts, funds for external expansion, modernization and research, are among the areas which will contribute to this volume, in addition to accounts receivable, inventory and equipment financing, instalment paper rediscounting and export and import financing.

Financial Statement Footnote On Depreciation's Dollar Cost

Current dollar cost of depreciation should be reflected in corporate reports to stockholders but in a supplementary manner, preferably as a footnote, and not by changing present methods of reporting depreciation in financial statements, a majority of 406 business executives and educators indicated in an opinion survey by the technical services department of the American Institute of Certified Public Accountants.

Mandatory disclosure was favored by a small majority of those who approved disclosure of current dollar cost of appreciation.

With much stronger support for disclosure if such amounts were deductible for income tax purposes, those in general favoring disclosure were "about evenly divided as to the desirability of presenting an adjusted net income figure in the absence of the acceptability of current dollar cost depreciation as an income tax deduction."

Technological changes often eliminate the problem of literal replacement of property, but they do not counterbalance the effect of rising price levels, most of the executives and educators reported. They also agreed that "while in some cases recent acquisitions of plant may have reduced the significance of the price-level problem, they have not generally taken care of it."

See Plus Signs in Construction, Government, Consumer Outlays

Ample reason exists for expecting business improvement based on seasonal movements in activity, but "something more than a seasonal rise would be necessary to show that the low point of the slump had been passed," says the Federal Reserve Bank of Chicago.

On the plus-side the bank economists cite activity in construction outlays, Government spending and consumer retail purchases.

CANADA-U. S. COOPERATION

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sented to R. Bruce Grey, immediate past president, British Columbia Division, CCMTA. George E. Bradley, MCI, president incumbent, had welcomed the 440 delegates at the opening session, with His Worship, F. Hume, mayor of Vancouver.

More than 45 past presidents were guests at a breakfast in their honor on Friday.

Nineteen Industry Groups held sessions, with visiting speakers including B. F. Edwards, Jr., vice president, Bank of America, San Francisco, and vice president of NACM's Credit Research Foundation, and Dr. L. B. Jack, director of budgets and control, B. C. Electric Railway Company, Vancouver.

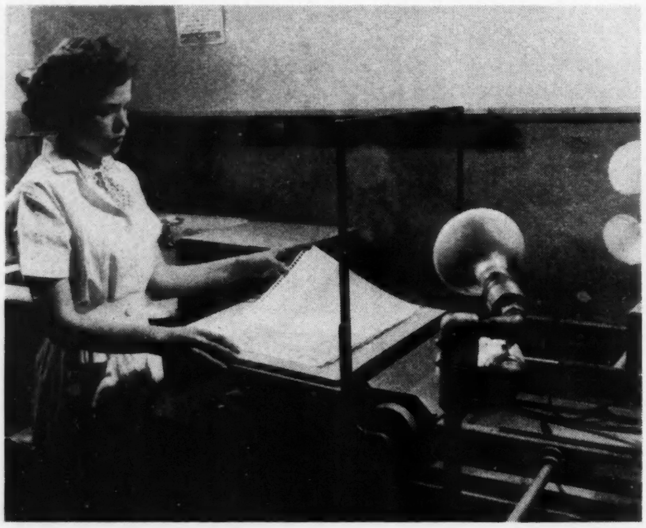
FCIB Worldwide Trade Panel Highlights Export Convention

Foreign trade of the United States will maintain its high level this year if liberal renewal of the reciprocal program becomes law and if there is no marked deepening of the recession, speakers predicted at the 41st annual convention of the Export Managers Club of New York. Exports, they said, will not be seriously below last year's record of almost $20 billions. Harry S. Radcliffe, executive vice president of the National Council of American Importers, forecast imports $300 million higher than in 1957.

A highlight of the convention was a worldwide survey of credit, collection and exchange conditions at a luncheon session of the opening day with the following participants, all vice presidents of the banks represented: Harry P. Barrand, The Hanover Bank; Tristan E. Beplat, Manufacturers Trust Co.; Joseph W. Welsh, Irving Trust Co.; and H. Harold Whitman, The First National City Bank. Presiding was Edward M. Andel, vice president, Bankers Trust Company, chairman of the Foreign Credit Interchange Bureau of the National Association of Credit Men.

Convention delegates were shocked at the following morning session by announcement that Mr. Andel had died in the night. A biographical sketch of Mr. Andel was published in the last issue of CREDIT AND FINANCIAL MANAGEMENT on announcement of his election to the Bureau chairmanship.

Xerography Moves Mountains of Paperwork for Single Financial Statement of 11 Reporting Units



FINANCIAL REPORTS of eleven reporting units of Blaw-Knox Company having been arranged on a pegboard strip so that identification titles, divisional columns and a consolidation column will be visible, here are transferred from pegboard to copyboard of XeroX Camera No. 4 where the exact image, reduced to 8½"x11", is transferred to a XeroX plate and image developed. Xerographic process takes about 3 minutes.

IN THIS PHOTO of The Haloid Company equipment shown in use at Blaw-Knox, Pittsburgh, the image on the XeroX Plate is placed on a paper master in the XeroX Copier or Processor. From 10 to 20,000 multiple copies can be obtained on an offset duplicator from a master made by xerography. Next, the run-off statements are collated and put together with a front and back cover by a desk-top binding machine, to make an attractive product.

IN a far-flung operation such as that of Blaw-Knox Company, often referred to as the "department store of fabricated products," a great deal of paperwork and paperwork duplicating is necessary. The Blaw-Knox industrial empire is largely concentrated in the Pittsburgh area, but it has plants in New York, Ohio, West Virginia, Illinois, Indiana, and one in Minnesota.

The company for years has been a major producer of highway and airport construction equipment as well as foundry and mill machinery, and various fabricated products. Its engineering skill is widely known in the atomic and chemical industries. Formed in 1917 from the Blaw Collapsible Steel Centering Company and the Knox Pressed & Welded Steel Company, Blaw-Knox at the time of the merger manufactured steel forms for general concrete construction and water-cooled equipment for high-temperature furnaces of the type used in the steel industry. The company has since consistently added new products through research, and the scope of its business has been extended by consolidation with other organizations, many acting as subsidiaries which later became company divisions.

Paperwork is monumental, departmentally, divisionally and company-wide. Accumulating the financial reports of each of eleven reporting units, for instance, into a single statement is no small task. Roy S. Garman, manager of budget and costs at Blaw-Knox, tells how this problem was solved by utilizing the simplicity of the xerography reproduction process of The Haloid Company.

Pegboard to Copyboard

In the Blaw-Knox setup, offset paper masters are used. The procedure is this:

Eleven reporting units are required to submit current-month and year-to-date financial reports on assets, liabilities, operations, manufacturing, selling, and administrative expenses. In addition, departmental reports on the various expenses of each reporting unit are required. Every report or statement is originally drawn up on a single-column form, preperforated at the top, on which all titles are preprinted.

This arrangement makes it possible to overlap all sheets, without obscuring identification titles, onto a pegboard strip, so that the resulting form shows 11 side-by-side columns plus a consolidation column under a single title block.

The procedure is, first, to lay a plastic backing sheet onto the pegboard strip. The next step is to assemble the reports and arrange them over the pegs and on the backing sheet so that all titles may be easily seen. A little rubber cement applied to the plastic backing sheet holds the reports firmly in place.

The reports, assembled into one piece, are lifted from the pegboard and mounted on the copyboard of a XeroX Camera No. 4 for copying. The reports are reduced in their consolidated form from about 12½" x 12½" to 8½" x 11", and copied electrostatically onto a selenium-coated, photosensitive XeroX Plate from which the developed image is

transferred onto an offset paper master. The xerographic process takes only about three minutes.

Multiple copies are then run off on an offset duplicator on which the xerographically prepared master has been positioned. Finally, the printed copies are collated and bound before distribution to executive and management offices.

Plus Values

"While savings in time and money are both impressive and important, there is another reason why the xerographic method is favored," comments Mr. Garman. "Substitution and accumulation of year-to-date and current-month consolidations may now be entered by the division or company onto the 8½" x 11" runoff sheets. Thus retyping and proofreading are no longer necessary."

This is just one example of how xerography is speeding paperwork duplicating at Blaw-Knox. A tremendous amount of general duplicating work is also being done. Forms design, for instance, is accomplished with an IBM typewriter that creates headings, titles, captions, and the like. Enlargement to 150 per cent or reduction to 50 per cent on the XeroX Camera No. 4 is a simple matter. Pasteup follows, completing the few simple preliminaries in putting together a new form or revising an old one.

When requirements call for the reproduction of halftones and line copy or subjects containing areas of solid black, an optional accessory, the XeroX Tone Tray, is used. Newspaper and magazine articles, catalog sheets, advertisements, illustrated bulletins and price lists are a few of the many printed items that may be reproduced with the Tone Tray.

Because xerography is a clean, dry, electrostatic copying process, no costly plumbing is required. It requires neither water, film intermediate, nor liquid chemicals. Little space is needed and a darkroom is unnecessary. Xerography copies with fidelity anything written, printed, typed or drawn, onto any kind of paper, spirit or paper duplicating master, or translucent intermediate. Xerography units plug into standard AC outlets. Operator training takes little time.

Other xerographic installations are in operation at two of Blaw-Knox's plants, reproducing multiple copies of engineering drawings, bills of materials, and many other documents.

Savings Deposits in Banks Are Doubled In 12 Years, Reach Total $88 Billions

Highlights of the 1957 savings and mortgage picture, reported by John Adikes, president of the savings and mortgage division of the American Bankers Association, to conferees at the 55th annual conference, in New York, show savings deposits in banks now total $88 billions, an increase of over $7 billions in 1957, and $42 billions since 1945.

Among all major sources of savings accumulations, savings have increased $128 billions since 1945, and now stand at the all-time high of $271 billions. "For the first time in some years," noted Mr. Adikes, who is president of the Jamaica Savings Bank, New York, "the volume of savings deposits in banks increased more than that of our nearest nonbanking competitor in the savings field, the savings and loan association. Compared with the $7-billion increase in banks, the savings in savings and loan associations increased a little under $5 billions in 1957."

Mortgage loans as investments of banks also soared to new high levels in 1957, despite the general tightness reported in money markets. At the end of 1957, banks held an investment of $44 billions, an increase of $3 billions in the year. Commercial banks at the year's end held $23 billions in mortgages, representing 41 per cent of their time deposits, Mr. Adikes reported. Reference was made to the booklet prepared by the ABA's Savings & Mortgage division, "Savings and Mortgage Statistics," which shows the long-term growth in savings in all the leading types of institutions.

Blough Blasts "Profit-Sharing" As "Squeeze" Hurting Workers

Propagandists of socalled "profit-sharing," actually "profit-squeezing," would "share the life right out of employer's profits," and the "principal victims would be its intended beneficiaries—the employees of America's business," says Roger Blough, chairman, United States Steel Corporation.

The only way such profits can be put into the pay envelopes of a company's employees is by withholding them from other consumer people, and in the process "consumer purchasing power as a whole will not have been increased by so much as a thin dime's worth," Mr. Blough told members of the Automotive Parts Manufacturers Association, in Detroit.

How to Produce Enough, to be Major Problem: Rockefeller

How to produce enough to meet demands will be America's major long-term problem in most fields, David Rockefeller, vice chairman, Chase Manhattan Bank of New York, advised members of the Minneapolis Chamber of Commerce.

Continued economic growth is the key to increased expenditures on national security, he said. Steps needed to expand sound growth include: a revamping of the tax system to reduce burdens on initiative and enterprise, savings and investment; better use and training of manpower; support of research, and "measures to insure adequate supplies of raw materials and fuels at reasonable cost."

Department Store Sales Up 37% in 8 Years, Board Finds

Under the Federal Reserve Board's revision of its department store sales index to the 1954 Census of Business as a bench mark, instead of 1948, sales in this category appear to have risen 37 per cent in the last eight years, instead of the 30 per cent reported before the revision, says the National Industrial Conference Board.

Trends

in commerce

in industry

in finance

Decline "Moderating"

FOUR SIGNS that the business recession is "moderating" are offered by economists of Chase Manhattan Bank of New York in concluding that "it is possible that we may see an end to the decline before long." The signs:

(1) Inventory liquidating in January at a rate of more than $8 billions a year; (2) A slight increase of new orders in the key field of industrial machinery in December and January; (3) Increasing Government expenditures; (4) Consumer spending holding up "relatively well" despite lag in new auto sales and department store sales.

"The business decline is approaching its critical stage," said the bank's *Business in Brief* as of March 28th, noting that the recession was fitting the pattern of previous moderate declines, and if some seasonal pickup in the spring follows, as expected, "that would signify at least a temporary bottoming-out."

Management Problem

WHERE a program of changeover to electronic data processing has been well managed, it can produce real savings, but in many instances it has not been well managed, says John Diebold, president of the consulting firm bearing his name.

Addressing a dinner meeting of the New York City Control of the Controllers Institute of America, and analyzing replies by 300 users in a survey, Mr. Diebold said 47 per cent of the large companies had added to or produced very little savings in clerical costs; similar results were reported by 58 per cent of medium scale and 65 per cent by small scale computer owners; and 72 per cent of all replying indicated monthly savings of less than $5,000.

On the other hand, 35 per cent of the large owners showed more than $50,000 a month saved. Almost all found their systems and procedures had been improved; 81 per cent had fulfilled their expectations of faster management reports.

Mr. Diebold concluded that disappointments could be attributed to management's underestimation of costs, difficulties and magnitude of the task of planning and control.

City Government Problems

MORE "creeping inflation, mounting costs and continued preemption of tax sources by federal and state governments" will accompany the population increase for years to come, 1,000 delegates to the Municipal Finance Officers Association of the United States and Canada, in convention in St. Paul, were warned by the retiring president, C. L. Mathews, deputy collector of internal revenue, Atlanta.

The tight reins on money should be relaxed for municipalities and school districts, said Arthur Levitt, New York state controller, for "tight money strangles municipal and state construction."

Intentions versus Reality

GOOD INTENTIONS of the Government are not enough to stabilize prices; they may or may not produce the intended results and are almost certain to bring unintended effects, says *Guaranty Survey*.

The bank's economist notes these unintended consequences already experienced. Farm price intervention has been followed by over-production, underconsumption, loss of foreign markets, use of substitutes, dumping of surpluses, and a farm price level "probably lower than would have prevailed in free markets." In housing the effects have been overloading of the construction industry and its suppliers, record high building costs, resulting in "lack of housing for low-income families except through outright subsidies." Federal policy on unionization fostered "growth of a colossus that tended to make costs rigid, encouraged layoffs, produced the national-emergency strike, forced the Government into the position of virtual dictator, and served as the most powerful engine of inflation in the economy." Welfare benefits, under Government interference, "provide a built-in inflationary bias which, unless arrested, must eventually bring hardship rather than welfare, insecurity rather than security."

More Bank Advertising

A RECORD $128 millions will be spent on advertising this year by commercial banks in all deposit classifications, says the American Bankers Association. This is 28 per cent more than last year's $100 millions. "Building deposits will receive the most emphasis for some time to come," says G. Edwin Heming, ABA advertising department chairman.

Worker Benefits Increased

BENEFITS to employees under workmen's compensation laws were made larger in 23 states last year. Besides a general increase of benefits to workers who lose wages due to on-the-job accidents or disabilities, in some states coverage was extended to greater numbers of employees, in some the category of occupational diseases applicable was widened, and in others the workers will benefit from changes in administrative procedures.

Seventeen states raised the maximum benefits in certain nonfatal classifications by amounts ranging from $2 to $14 a week.

Ernest A. Rovelstad

Legal Rulings and Opinions

Unregistered Receipts

A grain buyer was refused recovery of losses sustained on unregistered warehouse receipts illegally issued by the warehouseman of a seed company. Said the U. S. court of appeals, tenth circuit (Utah): The buyer must have known that the unregistered receipts, given for a specified quantity for storage, had been issued for grain not in the warehouse. Furthermore, noted the court, it is a criminal offense under the General Statutes of Kansas Annotated 1949 for any warehouseman to issue or aid in issuance of a warehouse receipt while knowing that the grain for which the receipt has been issued is not under his actual control at the time. (*Central States Corp. v. Trinity Universal Ins. Co. 237 F.2d 875*)

Assignment of Claims

The fact that the Government holds the right to apply proceeds of a Government contract to unpaid claims of materialmen does not mean that, after the Government has paid over the proceeds to the bank which financed the contractor, his surety can recover the amount of the claims from the bank, ruled the court of appeals for the ninth circuit.

The court emphasized that the 1950 amendment to the assignment of claims act precludes the Government from "restitution, refund or repayment" of any amount paid out under an assignment perfected in accordance with the terms of the act. (*Bank of Arizona v. National Surety Corp., 237 F. 2d 90*).

Check Lost in Transit

When a defendant's personal check, mailed to Commodity Credit Corporation, was lost in transit, the U. S. district court for Minnesota ruled that since the check was lost it had to be considered that no payment was made and that a debt to the United States remained. The defendant, obtaining a loan on stored corn, executed a note which was purchased by the Commodity Credit Corporation from the original payee bank. In dispute was whether the defendant had sent his personal check or other checks of which he was payee, together with cash. The defendant based his testimony on the use of the plural form "checks" in the repayment record and his recollection that on occasion he had similarly indorsed checks for payment of other obligations.

The court noted that always the presumption holds that a check is received as provisional payment and that the debt remains until it is paid. (*U.S. v. Johnston, 133 F. Supp. 633*).

Payments to Widows

Back in 1939 the bureau of internal revenue held that voluntary payments to the widow of a company employee were gratuitous and therefore deductible by the employer, non-taxable to the widow and not to be included in the taxable estate of the employee. The 1954 Code provides for exclusion up to $5,000 for such payments but this exclusion does not apply if the employee has a non-forfeitable right to the payments. The commissioner continues to challenge payments to a deceased employee in excess of $5,000.

In three decisions, involving tax years subsequent to 1950, the courts held in favor of the taxpayer and so the 1939 ruling finds support in the courts despite the stand taken by the commissioner.

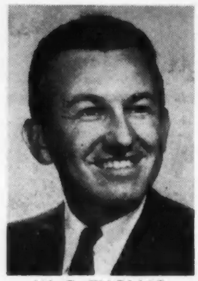
(*Concluded on page 27*)

Assistant reporting to the corporation president:

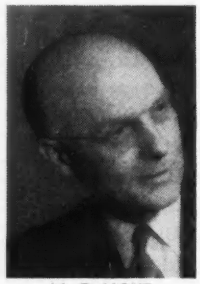
"Our workers think a guaranteed annual wage is fine, and a guaranteed bonus, and a guaranteed pension plan. But, chief, what they want most of all is a guaranty you won't go broke."

—The Mississippi Agent

ON THE Personal Side


W. R. THOMAS


R. H. OAKLEY


M. E. HOYT


R. W. OLSON

W. R. THOMAS has been advanced to vice president (finance), Cutter Laboratories, Berkeley, Calif. He began with Cutter in 1945 as budgets and reports manager, advancing to assistant controller in 1948, controller in 1951, to director of finance in January 1957. He is vice president San Francisco control, Controllers Institute of America; past president Oakland-East Bay chapter, National Association of Accountants and currently a national director. Following graduation from the University of California, Berkeley, in 1941, Mr. Thomas went with General Mills as an accountant. During Navy service 1942-45 he attended Harvard Graduate Business School. He has served as instructor in controllership and budgeting at Golden Gate College, San Francisco.

RICHARD H. OAKLEY has been named general credit manager of Remington Rand, Division of Sperry Rand Corporation. Headquartered at Buffalo, N.Y., Mr. Oakley is in charge of credit, collection and accounts receivable functions for the entire division, which has 23 plants. He is an alumnus of Miami University, Oxford (Ohio), and of the NACM Graduate School of Credit and Financial Management, Dartmouth. Before going with Remington Rand, Mr. Oakley was for 20 years with Glidden Company, Cleveland, becoming general credit manager in 1950.

MARSHALL E. HOYT, formerly assistant treasurer, has advanced to vice president and treasurer, Nash Engineering Company, South Norwalk, Conn. With Nash since 1916, he has held the posts of assistant secretary, assistant treasurer and controller. He attended New York University school of commerce 1915-18 and has been a member of the Bridgeport Association of Credit Men continuously since 1922.

RICHARD W. OLSON has been promoted to assistant vice president, Manufacturers Trust Company, New York City. A graduate of the American Institute of Banking and the National Institute of Credit, Mr. Olson began with the bank in 1923, advancing to assistant secretary in 1945. He is presently assigned to the bank's Union Square office.

RUSSELL LEE SHUMAN, JR., has been named director of corporate accounting, Westinghouse Electric Corporation, Pittsburgh. With Westinghouse since 1941, Mr. Shuman most recently had been staff assistant in the corporate accounting department.

J. HARVIE WILKINSON, JR., has been elected president of State-Planters Bank of Commerce and Trusts, Richmond, succeeding Harry H. Augustine, new chairman of the board. Wilfred A. Roper, former board chairman, moves to vice chairman of the board and chairman of the executive committee. Six other officers were promoted. Preston T. Holmes, Charles E. Moore, and P. Henry Poehler were named vice presidents, and Randolph B. Cardozo trust officer. Claude D. Edwards and Robert B. Hardaway were elected assistant vice presidents.

CARL H. SCHUPP has been promoted from assistant vice president to vice president, City National Bank & Trust Company, Kansas City, Mo. Mr. Schupp is president of the Kansas City Wholesale Credit Association and of the Missouri Valley chapter, Robert Morris Associates. He began with the bank in 1946, headed the credit department for eight years, and since 1955 has been loan officer.

DON W. DORNON has been named vice president, and Joseph McKeen treasurer, of Dun & Bradstreet, Inc., New York City headquarters.

JACK H. POOL, since 1951 auditor and credit manager, Acme Iron Works and its affiliated corporations, San Antonio, has been advanced to controller. Mr. Pool is a member of the Building Materials Group, NACM.

LEWIS J. GORIN, JR., has been named secretary, Reynolds International, Inc., Richmond, Reynolds Metals' manufacturing and sales organization outside the U.S. A graduate of Princeton University and Harvard Law School, Mr. Gorin began with Reynolds Metals in 1946.

JAMES A. WITT has been named secretary, Robertshaw-Fulton Controls Company, Youngwood, Pa., to succeed Walter H. Steffler, who retired as secretary and director. Mr. Witt began with the company in 1941 as chief accountant.

HARRY C. CULSHAW has become senior vice president and member executive committee, James Talcott, Inc., New York. In his new position Mr. Culshaw will be associated with the commercial finance division of the company. Mr. Culshaw had been with First Pennsylvania Banking & Trust Company, Philadelphia, since 1931, and most recently was vice president. He is past president of the Philadelphia chapters, American Institute of Banking and Robert Morris Associates.

JAMES B. ORR, 31, controller, has been promoted to treasurer, Owens-Richards Company, Inc., Birmingham. From the shipping department, in which he began with the company in 1948, he went into accounting.

Samuel C. Sander has advanced to vice president, Trade Bank & Trust Company, New York City. From Harvard (B.A., Phi Beta Kappa, 1928), he went with the bank in 1929 as credit assistant. Active in credit, he is member of the public relations committee, New York Credit & Financial Management Association, past president Credit Men's Club of the Fur Industry, member Toppers Credit Club. He is on the board of governors of the Federal Grand Jurors Association for the eastern district.

Joseph H. Titus, appointed vice president of The Diners' Club, Inc., New York City, had been general credit manager. A graduate of Fordham University law school, Mr. Titus was previously associated in a credit managerial capacity with several national and international corporations, including International Telephone & Telegraph Company.

Robert G. Connors has been named to the newly established post of plant controller, Dodge Motors, Detroit. Graduate of St. Louis "U", he holds the Ph.D. in economics and has taught that subject at his alma mater and at Loyola of Chicago. He entered the automotive field in 1947 as financial analyst, serving later as sales planning manager and as plant controller with another company.

Charles F. French, Jr., is now executive vice president, The First National Iron Bank of Morristown (N.J.). He formerly was vice president, Manufacturers Trust Company, New York City, in charge of the central credit department for several years and supervisor of the executive training program. He is president of New York Chapter, Robert Morris Associates.

S. C. SANDER

J. H. TITUS

P. F. FUERSICH

J. G. MANNING

"It takes courage to live —courage and strength and hope and humor. And courage and strength and hope and humor have to be bought and paid for with pain and work and prayers and tears."

—Jerome P. Fleishman

Dale E. McKee, associated with the company since 1924 and since 1950 manager of the Chicago service department, American Credit Indemnity Company, has been appointed assistant vice president of the company. He serves as assistant to F. L. White, vice president in charge of service departments, at the executive offices in Baltimore.

John G. Manning has been promoted from assistant treasurer to treasurer, H. F. Livermore Corporation, Boston. He also is a director of the company. Before going with the company nine years ago, Mr. Manning had been with Haskins & Sells for ten years.

Paul F. Fuersich has been appointed plant controller, Mosler Safe Company, Hamilton, Ohio. He began with the company in 1952 as administrative assistant to John E. Hampel, company controller.

John L. Dugan, Jr. has been named treasurer of Underwood Corporation, New York. Before going with the business machines company, Mr. Dugan was assistant to the president, Grace National Bank, New York, and earlier had been with Booz, Allen & Hamilton, management consultants.

Carl Phares, Jr. has become controller and assistant treasurer, Kudner Agency, Inc., New York City.

United Airlines has named Curtis Barkes senior vice president-finance and property.

Predict "Inter-Boom" Era For the Next Few Years

The next few years will constitute an "inter-boom" era of slower growth and higher unemployment, according to "a growing body of opinion," say the analysts of the Federal Reserve Bank of Philadelphia in the annual report issue of its "Business Review."

While it is difficult to agree that an era ended in 1957, "it is possible that the forces, moods and aspirations which shaped the postwar years have burned out or modified themselves, to be replaced by new or remolded ones."

Underscored is the point made that unlike in previous postwar eras, inflation has been a dominant characteristic of the years since World War II. Nevertheless, though some forget it, our economic growth has been not only remarkable but also relatively uninterrupted, overriding the intermittent mild contractions between 1949 and 1954.

Another contrast with other postwar eras has been that wholesale prices did not break this time.

Economists of San Francisco Federal call inventory and Government spending more favorable factors than in previous recessions while consumer spending "continues to be an enigma." They add: "Some business indicators should show improvement before the middle of 1958."

In similar vein, Chicago's Federal cites "widespread confidence among business analysts that the low point of the current recession is not far off." This confidence the bank attributes to the fact that inventory reduction's important role in the slowing pace "is usually a short-run phenomenon"; that accelerating defense spending is expected to provide support, and "the credit market is already working on the side of expansion."

$7,100 Family Income after Taxes Predicted for 1975

Average income after taxes of American families should by 1975 be at least $7,100, compared with today's $5,300 average disposable income. This conclusion is reported by the Committee for Economic Development after a study by a subcommittee. The analysts call for ceaseless vigilance by Government and individuals to make certain that best use is made of the nation's "growth-producing potentials."

Guides to Improved Executive Operation

KEEPING INFORMED

ACCOUNT NUMBERING SYSTEMS—40-page manual outlines three basic numbering systems covering any degree of automation and applicable to the small, medium or large bank. Produced jointly by Burroughs, ElectroData and Todd divisions of Burroughs Corporation, the manual also shows several different ways of arriving at check digit systems. Free upon request to Burroughs Corporation, Detroit 32, Mich., or from local sales representative.

VOLUNTARY HOME MORTGAGE CREDIT PROGRAM, Room 727, 45 Broadway, New York 6, sponsored by private mortgage lending institutions and the Federal Government, is a nationwide clearing house operating without charge to bring home buyers and builders in communities of less than 25,000 into direct contact with mortgage lenders. Albert M. Cole, administrator, U. S. Housing and Home Finance Agency, is statutory chairman of the supervising committee for the program.

Suggestions on how to prevent, avoid and minimize losses from employee dishonesty, burglary, robbery and holdup are advanced in PROTECTING YOUR BUSINESS AGAINST DISHONESTY, number 90 in the Small Business Administration's series of Management Aids. Available from all SBA field offices.

FORMS OF REGISTRATION FOR CORPORATE STOCK, 30-page booklet written by Berto Rogers, assistant staff counsel, Chase Manhattan Bank, New York, is replete with information and suggestions on how a stock should be registered, in such areas as a partnership, association, estate, church, guardianship, and incompetent party. There are details such as of titles, abbreviations, designation of husband and wife.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

To expedite receiving booklets described below in this column, address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N. Y.

EFFICIENCY TIPS

672—"Planned Lighting and Sound Conditioning," 18-page attractively illustrated brochure of Wood Office Furniture Institute contains lighting and sound measurement charts, suggestions for choosing the right systems.

▼

673—Folder outlines four control means provided by Cummins 240 and 250 series Check Signers; illustrates other business machines in the company's line.

▼

674—How the "Royal Automatic Formswriter" can double typing efficiency of marginally punched forms is described and graphically illustrated in brochure of Royal McBee Corporation. Other automatic typing machines in Royal line are shown.

▼

675—6-page illustrated folder describes "Kard-Up," new Remington Rand filing system which combines advantages of vertical and visible record-keeping. Ask for KD-815.

▼

676—"Dav-A-Matic" all-purpose offset duplicator, designed for short runs as well as systems and general duplicating, is described and illustrated in literature of Davidson Corp., subsidiary of Mergenthaler Linotype Co.

▼

677—Copy test pattern sheet, for use as an aid to check suitability of office copying machines before they are purchased, is offered by Copease Corporation.

▼

678—Samples of "Ready Carbon" Letter Sets are available free from Sinclair Manifold Products, together with price list. Ready carbon sets also come in pad form.

▼

679—Four-color. 6-page brochure features new aluminum movable interior wall system of E. F. Hauserman Company.

BOOK REVIEWS

INTERNATIONAL FINANCE—Charles N. Henning, 481 pages. $10.00. Harper & Brothers, 49 East 33d St., New York 16, N.Y.

• The textbook integrates in one volume a discussion of practices and theory and problems of international finance, with emphasis on the financing of commercial transactions, the specialized documents used, the letter of credit, and insurance. A comprehensive work, with liberal use of exhibits and specimen documents.

OTHER BOOKS REVIEWED AND RECOMMENDED

HOW TO DEAL IN REAL ESTATE—By Clyde T. Cadwallader. $5.95. Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N. Y. Whether you only own or contemplate buying a home, or are in the real estate business, this book will help you successfully handle all types of real estate transactions profitably. It provides complete information on what and where to buy, how to sell or lease, with suggestions on buying for speculation or income, plus dozens of ways to capitalize on real estate opportunities open to limited funds. It also covers property management, insurance, title closing, real estate loans and essentials on real estate law.

THE LANGUAGE OF INVESTING, a glossary of 240 "most commonly used" expressions in the investment world, is not only interesting reading in its down-to-earth definitions but has definite values for both new and experienced investors. 36 pages. New York Stock Exchange, 11 Wall Street, New York 5, N. Y.

USA IN NEW DIMENSIONS: The Measure and Promise of America's Resources—By Thomas R. Carskadon and George Soule. 124 pages. $1.50. The Macmillan Company, 60 Fifth Ave., New York 11, N.Y. —This work by The Twentieth Century Fund is a reworking of "America's Needs and Resources: A New Survey" to present highlights in simple language and graphs to the general reader, student and specialist. The illustrations, by Rudolf Modley, are striking and informative. The writers, calling America's economic system the "strongest, most productive in human history," say the total national output may come close to $500 billions by 1960, with possibly $6,000 as the average family income, and a population of 177 millions.

Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your bookstore or direct from the publisher.

Legal Rulings

(Concluded from page 23)

Rebuttal for Fair Trade

Answering the decisions of General Electric Company, Sunbeam Corporation, Toastmaster Division of McGraw-Edison, Inc., and Royal McBee Corporation to abandon "Fair Trading" of certain products, the Bureau of Education on Fair Trade reported the following judicial and legislative developments:

1. Reaffirming constitutionality of the Massachusetts law, the state's supreme judicial court ruled that trading stamps of any value, on Fair-Traded products, are a violation (*Colgate-Palmolive Co. v. Stop N' Shop Super-market, et al*).

2. Both houses of the Virginia legislature voted a new Fair Trade bill designed to overcome a 1956 decision of the state supreme court that the current law was invalidated by a later amendment to the Virginia anti-trust laws.

3. The non-signer clause of the Kansas Fair Trade law is invalid under the state's constitution, the state supreme court ruled in *E. I. du Pont de Nemours & Co. v. Quality Oil Company*.

Safe Deposit Joint Tenancy

When a man and wife execute a rental contract which clearly and specifically states that all property in the safe deposit box is their joint property, with right of survivorship, that act may create a joint tenancy of the contents of the box, in the opinion of the Pennsylvania supreme court, but mere joint rental of a safe deposit box does not in itself create a joint tenancy of its contents. (*In re King's Estate, 126 A. 2d 463.*)

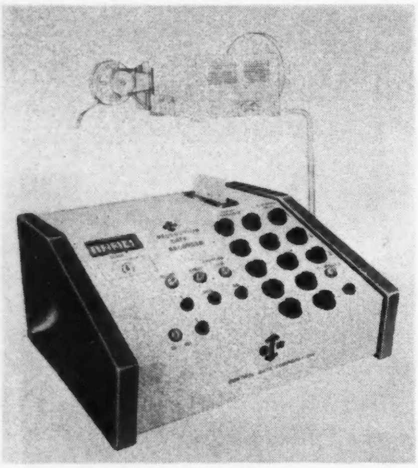
Loan Limit Exceeded

An alleged agreement by a national bank to advance to its cashier a sum in excess of its legal loan limit could not be made the basis for a valid defense or counterclaim by the cashier, the U. S. court of appeals, ninth circuit, Alaska, ruled, saying: "We think in banks the term 'surplus' has too long an established meaning to include undivided profits." The defense was that the cashier's superiors had promised to finance construction of the cashier's house.

Modernizing the Office

New Equipment to Speed Production and Reduce Costs

Data Go-Between



483 The PRODUCTION DATA RECORDER device of Control Data Corporation bridges the gap between creation of production information on factory floor and its ultimate use by tabulating machines or large-scale computers. The recorder, a self-contained unit about the size of a desk calculating machine, is located in the manufacturing or other department where it will accept a variety of information, select and combine pertinent data and produce a record on punched paper tape, punched cards or magnetic tape. Resulting information is then immediately available for machine tabulating or computers to determine payrolls, in-process inventories, cost data and similar information.

Electronic Accounting Unit

484 Designed for small and medium as well as large businesses, the UNDERWOOD CORPORATION Electronic Business Computer is a low-cost, high-speed digital computer machine especially adaptable to such functions as payroll accounting; expense, labor and cost distribution; sales audit and analysis; mortgage loan accounting; tax and utility billing. Machine operates from a pre-set plastic program control belt which can be changed within seconds, says manufacturer. Programming is done by Underwood so no special training of operator is required. Machine may be equipped with two carriages permitting simultaneous printing on two forms.

Popular-Size Computer

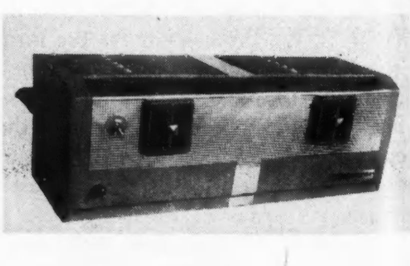
485 The CLARY ECS multipurpose electronic Computation System answers the need of small and medium-sized firms for a simple-to-operate unit between the mechanical calculator and the electronic giant brains. Many repetitive jobs such as billing, production control, insurance rates can be programmed into the Clary ECS in minutes by office personnel, payrolls computed in one-sixth the time required with mechanical calculator, says manufacturer, Clary Corporation. Unit is built into standard desk; figures are fed into system through special keyboard shown, and computations are performed by electronic unit stored in drawer section of desk. Machine operates from ordinary 110-volt wall plug outlet.

Pop-Out Stapler

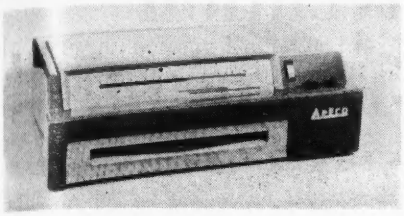
486 "Pop-out loading" feature of the S-88 Automatic Electric Stapler of STAPLEX COMPANY simplifies the job of reloading. With the S-88 the operator merely touches a button at the rear of the unit and the staple track pops-out the front. New staples are dropped into the staple track and stapling is continued at once. Device is especially useful with collators, duplicating equipment and similar office machines. No controls are necessary; touch of paper or other item to be stapled activates mechanism. Unit plugs into any AC outlet: weighs approximately 7 lbs.

Air Purifier

487 Lightweight, portable PURITRON electronic unit eliminates stale, tobacco-laden air, making it a welcome addition to offices, conference rooms and industrial areas. Unit requires no complicated installation, plugs into 110-volt AC line. Benefits allergy sufferers since it contains a filter which supplies dust- and pollen-free air. Two models are available: the "Executive", and the "Director" for larger areas. UL approved, the appliance is a product of Puritron Corporation.



One-Step Copier



488 APECO desk-top Uni-Matic "Auto-Stat" photocopy machine features one-step synchronized operation, said to provide new speed of photocopying in the office. Faster motor coupled with more intensified light source especially developed for Apeco by General Electric contributes to speedier operation, says manufacturer, American Photocopy Equipment Company. Sweepline dial permits selection of finer settings for copying from any color paper or ink. The Uni-Matic makes clean, sharp, black-on-white copies of anything from a printed, typed, written photographed or drawn original up to 11″ wide. Push-button controlled, unit operates on normal electric current.

One-Key Bookkeeping Unit

489 Quicker balances, less work for the operator, are advantages cited for the ADDO-X Front Feed and Accumulating Register Bookkeeping Machine. Front feed device permits copying and rapid insertion of forms of different sizes. Machine's ability to take carbon copies makes possible compilation of several forms at one time. A Universal key on the Class 7000 controls all automatic functions, is the only key that needs to be depressed to obtain the correct function in the proper column. Function selector can be set for four different operations with different forms; can be changed in seconds for other applications. Addo Machine Co. is American subsidiary of Swedish business machines manufacturer, AB Addo.

New Adding Machine

490 BRUNSVIGA 111RT 10-key Electric Adding Machine features large capacity, credit balance and subtraction in red, multiplication key for addition and subtraction with automatic clearing after repeat. Easy insertion of paper roll and easy-to-get-at mechanism for control and cleaning are additional features. Optional

hand operation available at no additional charge. Of modern streamlined design, machine is manufactured in Western Germany by Brunsviga Maschinenwerke AG. Braunschweig. Typesales-Brunsviga Corp., Inc., is distributor in this country. Unit comes with 110/60 motor for AC and DC.

Literature Display

491 VISI-RACK Model 26 countertop literature display unit of Halverson Specialty Sales has clear, transparent Plexiglas facings which permit view of complete cover of the literature, attracting attention and inviting easy selection. Tilt-back pocket design keeps pamphlets erect and at comfortable reading angle. Adjustable dividers accommodate any size publication or literature. Storage area provided in back of rack. Made of heavy gauge steel finished in Hammerloid gray baked enamel, unit measures 12½″ high, 24″ wide, 5″ deep.

EDP Typing Computer

492 A typist can operate this IBM 632 low-cost ELECTRONIC TYPING CALCULATOR with only a few minutes of instruction, notes manufacturer, International Business Machines Corporation. The system—consisting of IBM electric typewriter, 10-key companion keyboard, magnetic core memory device and program reading device—is designed primarily for order and invoice applications; can be programmed to automatically retain and type out sales, invoice totals, taxes, shipping charges, other selected accumulations for daily review. Plastic tape within program reading device contains instructions for a complete application; tape can be changed for different procedure in seconds.

This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Please address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.

Electronics in Banks

The trend toward electronic data processing in American banking "is the most constructive step taken in this field in the last 25 years," says William F. Kelly, president of First Pennsylvania Banking and Trust Company.

An exhibit touring the company's 30 neighborhood offices in Greater Philadelphia emphasizes its plans to adapt electronics to the handling of checks.

Completed Program for Convention Assure Wealth of Take-Home Ideas

WITH all arrangements completed for speakers at plenary sessions and Industry Group meetings, and entertainment programs set, Detroit is extending a most cordial invitation and a warm hand of welcome to all delegates, guests, and family members who will be attending the 62nd Annual Credit Congress, May 18-22. This year, in the light of rapidly changing economic conditions during recent months, the Credit Congress will serve as a bulwark upon which sound credit decisions may be based, and a beacon to chart procedures related to credit and financial situations which will be encountered.

From NACM President J. Allen Walker comes this invitation:

"The ultimate success of the 62nd Annual Credit Congress will depend upon the people who attend it. Your presence and participation will make the Detroit meeting an assured success. The planning and preparation have been most effectively done by a large number of capable persons. I am confident both you and the business or financial concern you represent will profit from your attendance."

Henry H. Heimann, executive vice president, in his keynote address entitled "Credit — The Irresistible Force" will discuss the role that credit and financial managers will be called upon to play in a growing economy. Each year Mr. Heimann, as the chief operating officer of the association, reviews economic trends and makes recommendations toward improvement of the business climate.

Stary Gange, president, Pacific Olive Company, Visalia, Calif., will follow Mr. Heimann at the microphone. The subject of his address is "The Giant of Them All." Mr. Gange, as a businessman, is a strong advocate of free enterprise with minimal Government interference. He is a wellknown lecturer who points out that continuing vigilance is needed to safeguard and strengthen our economy, and that businessmen must be vocal in protecting and fostering the American way of life. He will accentuate the part credit has played through the years in the spectacular growth of American business.

Edwin L. Covey, chief of bankruptcy, Administrative Office of the United States Courts, speaking on "What's Happening in Bankruptcy," will address the plenary session Monday afternoon. With the number of bankruptcies increasing, Mr. Covey will describe some of the credit problems being encountered and the corrective steps which credit managers should take.

A panel discussion, "Credit, Money Supply and Recession," will follow Mr. Covey's address, with Dr. William A. Paton, professor of business administration, University of Michigan, serving as moderator. This panel will first review Governmental fiscal policies of the last eight months, particularly relating to changes in discount, rediscount and prime interest rates, as well as reserve requirements, and their effect on business. From this point the panel will discuss what can and should be done by the Government to overcome the recession.

The panel brings together four nationally known analysts of the business economy. With Dr. Paton will be George W. Mitchell, vice president in charge of research, Federal Reserve Bank, Chicago; George P. Hitchings, manager, economic analysis division, Ford Motor Company; and Charles H. Schmidt, vice president and economist, National Bank of Detroit.

Byron J. Nichols

Tuesday will be devoted entirely to Industry Group Meetings. Chairman Robert Griffin reports that 36 trade groups will be represented. The programs arranged include subjects of vital interest which will be covered by outstanding speakers and in panel and informal discussions. (Details of the Group programs appear in this issue, beginning on page 36.)

Herbert H. Lank, president, Du-Pont Company of Canada 1956 Ltd., will be the first speaker at the third plenary session, on Wednesday morning. His topic, "International Credit—The Challenge and Its Rewards," will cover business relationships especially between the United States and Canada, with emphasis on the responsibilities of credit executives whose operations embody sales on an international basis, and analysis of Canada as a market.

Byron J. Nichols, general manager of automotive marketing, Chrysler Corporation, whose automobile sales and marketing experiences since boyhood place him as one of the most respected authorities in that field, will present an informative picture of the industry's immediate and long-range plans, in his address, "Potentials in 1958 Automobile Marketing."

Mr. Nichols, who sold his first new car when he was 15 and built his own race car at 16, began his business career in 1933 in the Ford assembly plant in Kansas City, and six years later became field manager at Topeka. In 1940 he joined De Soto as regional merchandising manager for nine states out of Kansas City. In World War II he recruited 280 technicians who formed the 503d Heavy Maintenance Tank Company.

Rejoining De Soto in 1945 as assistant advertising manager in Detroit, he shortly afterward was made regional manager at Atlanta. In 1951 he returned to Ford as operations manager in charge of

dealer development, and soon advanced to investment manager of that program. Joining Dodge in 1955 as general sales manager, in a few months he was named vice president. Now he is general manager of group marketing for Chrysler's automotive products.

The final plenary session on Thursday morning will feature a panel discussion, "Atomic Energy in Our Future Economy." The moderator is Arthur F. Gerecke, credit manager, St. Louis *Post-Dispatch*. This panel will explore the problems and benefits which can now be foreseen in harnessing the atom to peaceful uses, particularly as it will affect our individual ways of living, our ways of doing business, and in Governmental controls. (Details, names and biographies were printed in the April issue.)

Members of the Thursday forenoon panel are Dr. Paul F. Genachte, director, atomic energy division, Chase Manhattan Bank, New York; Dr. Henry Gomberg, assistant director of the Phoenix Project, University of Michigan, Ann Arbor; Robert W. Hartwell, general manager, Power Reactor Development Company, Detroit; and Dr. Donald H. Loughridge, nuclear power development activity, General Motors Research Corporation.

LT. GOV. PHILIP A. HART

GRADUATE of Georgetown University and University of Michigan Law School, Mr. Hart held several government posts before being elected lieutenant governor of Michigan in 1954. While U.S. district attorney in 1952, Mr. Hart was named "Outstanding Federal Administrator of the Year" by the Federal Business Association, He will welcome the delegates at the opening plenary session of the Credit Congress.

Panelists on Credit, Money Supply and Recession

G. W. MITCHELL

G. P. HITCHINGS

C. H. SCHMIDT

W. A. PATON

Following are biographic sketches of members of Monday afternoon's panel (that of Dr. Paton, moderator, was published in the April issue).

George W. Mitchell, with the Federal Reserve Bank since 1943 but for a leave of absence (1944-51) as director of finance, State of Illinois, is associate economist of the Federal open market committee of the System, as well as vice president in charge of research, Federal Reserve Bank of Chicago.

Graduate of the University of Wisconsin, Mr. Mitchell formerly was a member of the Illinois Tax Commission, consultant to the Civil Aeronautics Board and to the Joint Committee on Internal Revenue Taxation.

Hitchings Is Ford Economist

Honor graduate of the University of Maine, with a graduate fellowship in the National Institute of Public Affairs in Washington and graduate study in economics at American University, George P. Hitchings in 1937 became economic assistant to the Federal Reserve Board. From 1939 to 1947 he was economist of the Federal Reserve Bank of New York, interrupted by two years of military service.

Since 1947 he has been Ford Motor Company's manager of economic analysis, with a 1951-52 period on leave to the Office of Defense Mobilization as consultant and later assistant to the director. Mr. Hitchings is a member of advisory committees of the U. S. Chamber of Commerce, Bureau of Labor and Department of Commerce.

Schmidt Is Bank's Analyst

As vice president of the bank investment department of the National Bank of Detroit, Charles H. Schmidt specializes in administration of the bank's holdings of U. S. Government securities and in analysis of economic and money market developments.

Mr. Schmidt previously was for nearly seven years with the Board of Governors of the Federal Reserve Board in Washington, first as an economist and then as chief of the business finance and capital markets section, division of research and statistics. Earlier positions, with an interlude of Army service, included: head of market research, Capital Airlines; research associate, National Bureau of Economic Research; instructor, Wharton School of Finance and Commerce, University of Pennsylvania. He is a graduate of the Wharton School and of the Graduate School of Arts and Sciences of that university.

Originally scheduled as one of the plenary session speakers, George W. Romney, president of American Motors Corporation, was compelled to withdraw, due to unforeseen and inescapable business engagements which conflicted with our convention dates.

J. M. Rust Dies; Was National Vice President for 1933-34

James M. Rust of Los Angeles, who died at 83 after a long illness, had been vice president of the National Association of Credit Men (1933-34) and a director of National for the three years preceding.

Mr. Rust, who retired from the Union Oil Company in 1939, had had an even longer record of official service in the Credit Managers Association of Southern California. Besides having been on its board of directors for a number of years dating back to the early Twenties, he was president for the term 1927-28.

New Skills Are Needed to Distribute Today's Abundance, Says Allen Walker

New skills must be developed to meet the situation in which credit management operates today, J. Allen Walker, of San Francisco, president of the National Association of Credit Men, told members of the Credit Managers Association of Northern and Central California at a conference in San Jose.

"Since World War II we have been primarily concerned with distributing a scarcity of goods and services," said the general credit manager of Standard Oil Company of California, with which he began his career in San Jose 36 years ago. "Today, most are in ample supply and could remain so for considerable time. The question now is becoming one of how well we can learn to distribute an abundance.

"The marketing implications are clear. Competition will grow keener, with increased need for skillful credit management. We are now entering an era that requires dealing with distressed customers.

"While tight money has eased somewhat, many firms will continue to experience working capital shortages. However, this is true in periods of boom and depression, and we must develop new skills to meet the day to day situation we must live with under today's requirements."

"Opportunities or Problems?" was the topic of Mr. Walker in addressing the dinner session.

As luncheon speaker, Dr. Joseph M. Trickett discussed "Your Challenge of Human Motivation." Dr. Trickett is professor of management training and director of the University of Santa Clara Management Center.

Two panel discussions also highlighted the conference program. In the forenoon, Robert L. Allen, Ghirardelli Chocolate Company, San Francisco, National director, was moderator for a discussion titled, "Confidentially, Are You Considerate?" Panelists were D. M. Messer, vice president and treasurer, Dohrmann Commercial Company, NACM past president; Alfred J. Mayman, senior vice president, Bank of California; W. H. Keplinger, general credit manager and assistant treasurer, Crown Zellerbach Corporation; and B. F. Edwards, vice president, Bank of America, past National director.

H. G. Weichert, vice president and local main office manager, Bank of America, was moderator of the afternoon panel discussion on "Santa Clara Valley—Orchards to Homes." Members of the panel were Don Edwards, president, Valley Title Company; W. A. Abbott, vice president and local manager, First Western Bank; Donald L. Stone, partner in Stone & Schulte, realtors; R. Cheim, assistant general manager, Cheim Lumber Company; and J. L. Garrison, partner in Austin-Garrison Company, realtors.

Oppel Succeeds Anderson as St. Paul Association Secretary

Rollin H. Oppel, who succeeds the late H. Truman Anderson as secretary-manager St. Paul Association of Credit Men, gained company experience in wholesale credit operation with the following, all in Minneapolis:


R. H. OPPEL

U. S. Rubber Company, as assistant to the district credit manager; Electric Machinery Manufacturing Company, in the treasury department; and Industrial Molasses Corporation, as office and credit manager.

For almost three years prior to the St. Paul association appointment he was in public relations and sales service of Credit and Financial Management Association, Minneapolis.

Mr. Oppel, graduate of the University of Minnesota, lives in Minneapolis. The Oppels have three children.

H. Truman Anderson had been killed in an auto accident at Savage, Minn., on his way home from a business trip to New Ulm. His death was attributed to a heart attack or to falling asleep at the wheel.

"I had rather wear out than rust."
—George Whitefield

Thomas Is Fraud Prevention Chairman of Cleveland Unit

Willard W. Thomas has been appointed chairman of the Fraud Prevention Committee of the Cleveland Association of Credit Men.


W. W. THOMAS

Mr. Thomas, secretary, Campus Sweater and Sportswear Company, Cleveland, began with the company in 1928 in a clerical capacity and successively became office manager, general credit manager, and then secretary of the company.

He had completed pre-law study at Western Reserve University, was graduated from John Marshall School of Law, Cleveland, and in 1949 as a member of the first class received the Executive Award of the NACM Graduate School of Credit and Financial Management. He is a trustee of the Cleveland Association of Credit Men, a member of the Men's Furnishings Manufacturers Group, New York Credit & Financial Management Association, and has served as vice chairman of the Wearing Apparel Industry Group at Credit Congresses. He is discussion leader and chairman of a Cleveland association study group on the Fellow Award Examinations in the National Institute of Credit.

Benefits Average 20 Per Cent Of Payroll, Labor Study Shows

Cost of an increase in either the basic hourly labor rate or basic salary will likely be underestimated unless the company's accounting and reporting procedures clearly show in detail all labor-related costs, such as the increases in wages and fringe benefits, changes in contract terms, proposed management policy, working conditions, vacations and pensions, says the National Association of Accountants.

Accurate knowledge of all such costs is essential to management because of the steadily increasing basic labor and salary rates, plus additions to and increases in labor-related costs, according to study of 48 manufacturing companies. The research revealed that estimates of benefits sometimes range above 50 per cent of payroll and average 20 per cent.

Trends "Favorable" in Food Industry despite Recession

Trends in the food industry are generally favorable from a credit standpoint despite the current recession, Robert W. Rogers, vice president of Harris Trust and Savings Bank, told credit executives of the Midwest Food Manufacturers and Allied Lines at their nineteenth annual conference, in Chicago.

R. W. ROGERS

Over the long range a steadily increasing volume of purchases is to be expected with the inevitable growth of population, the managers were told.

"With the concentration of volume in a fewer and stronger number, there should be no serious credit problems so long as these units continue their profitable operations," Mr. Rogers said. "You still have to watch for capable management and for a sound financial expansion, but such problems are always with us."

The banker presented statistics showing the trend toward fewer but larger units in all sectors of the food industry.

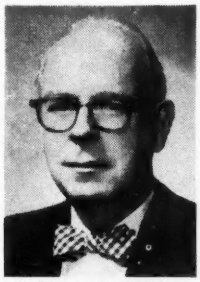
With this trend, "retail food outlets are enjoying a profitable year, in contrast to the struggle many of the food processors are having to make a reasonable profit. This concentration of distributors may be a headache to the sales departments but it certainly tends to simplify credit problems."

"With the keen competition on the selling side, there is now accelerated pressure for more liberal credit," Mr. Rogers emphasized. "Too often such pressure is for the poorer credit risks, and they are the companies that are most likely to get into financial difficulties. It takes keen judgment to pick and choose among those credits and not a little fortitude to say 'No' to the bad credit risks."

Other features of the conference sessions included a dramatized skit, "You Are There," sketching a credit manager-customer meeting; a Remington Rand sound-color film, "Savings with SUIAP," and a talk on lock-box deposits by Harvey G. Kolberg, assistant cashier, First National Bank of Chicago. Guest speaker at the luncheon was Joseph L. Schmit, FBI assistant special agent in charge of the Chicago area. Welcoming the conferees were Paul R. Gross, U. S. Steel Corporation, president of the Chicago Association of Credit Men; William Regan, Illinois Canning Company, conference chairman; and Al Nathanson, Lever Brothers Company, Industry Group chairman.

Martin Executive Secretary Of Chicago Credit Association

Ralph W. Martin, appointed secretary and executive manager of The Chicago Association of Credit Men, attended the University of Chicago and is also a graduate of the Walton School of Commerce and the National Institute for Commercial and Trade Organization Executives. His experience in organizational work includes service with both Chambers of Commerce and trade associations.



R. W. MARTIN

Mr. Martin was for a number of years the executive secretary and business manager of the Real Estate Board of Chicago.

Earlier he was a member of the executive staff of the National Power Survey of the Federal Power Commission, and he served as industrial advisor to the Power Authority of the State of New York.

From Bookkeeper to President, Fetes 50 Years with Company

Fifty years of continuous service to her company, from bookkeeper to president, is the record Miss Freda E. Schreiber will be observing on May 25th at Wilson Memindex Company in Rochester, N. Y. A reception arranged by the executive staff for May 22d will signalize the event.

MISS SCHREIBER

Miss Schreiber began with the company as a bookkeeper and stenographer, successively became office manager and treasurer, and 30 years ago was elected president and general manager of the company, which manufactures memorandum devices.

Notice to the Members of the National Association of Credit Men

You are hereby notified that the Annual Credit Congress, Convention and Meeting of the members of the National Association of Credit Men will be held at the Sheraton-Cadillac Hotel in the city of Detroit, Michigan, May 18 to May 22, 1958, inclusive, and that at the session thereof to be held on Monday, May 19, at 4 o'clock p.m., the following resolutions proposed by the Board of Directors will be presented for consideration and adoption:

"RESOLVED: That effective Oct 1, 1958, the first sentence of Article IV, Section 1 of the By-laws be amended to read as follows:

'Each affiliated association shall pay to this Association dues at the rate of $10 per annum for each member of each affiliated Association.'

"FURTHER RESOLVED: That Article X, Section 1, of said By-laws be amended by adding to the list of Standing Committees of the Association as therein enumerated, the 'Committee on Cooperation with the Robert Morris Associates.'

"FURTHER RESOLVED: That the name of this Association be changed from National Association of Credit Men to National Association of Credit Managers.

"AND BE IT FURTHER RESOLVED: That the President or Vice President and the Secretary or Assistant Secretary be and they are hereby authorized and directed to execute and file a certificate of change of name pursuant to Section 40 of the General Corporation Law of the State of New York and in conformity with this resolution."

Philip J. Gray, Secretary

By order of Board of Directors

Supplementary Notice to the Members of the National Association of Credit Men:

You are hereby notified that at the session of the Credit Conference to be held on Monday, May 19, 1958, at 4:00 o'clock P.M., the following resolution proposed by three Affiliated Associations will be presented for consideration and adoption:

"RESOLVED: That the name of this Association be changed from National Association of Credit Men to National Association of Credit Management, and

"BE IT FURTHER RESOLVED: That the President or a Vice President, and the Secretary or an Assistant Secretary, be, and they hereby are, authorized and directed to execute and file a Certificate of Change of Name pursuant to Section 40 of the General Corporation Law of the State of New York in conformity with this resolution."

March 28, 1958

Philip J. Gray, Secretary

CALENDAR OF EVENTS IMPORTANT TO CREDIT

DETROIT, MICHIGAN
May 15-16-17
Annual Meeting of the NACM Affiliate Local Association Secretary-Managers

DETROIT, MICHIGAN
May 18-22
62nd Annual NACM Credit Congress and Convention

CEDAR RAPIDS, IOWA
September 17-19
Tri-State Credit Conference, including South Dakota, Nebraska and Iowa

MILWAUKEE, WISCONSIN
September 18-19
Great Lakes Regional Credit Conference, including Illinois, Indiana, Michigan and Wisconsin

SAN FRANCISCO, CALIFORNIA
October 9-10
Pacific Southwest Credit Conference, including California, Arizona, Utah, Colorado, Nevada.

EL PASO, TEXAS
October 10-12
Annual Southwest Credit Conference, including Oklahoma, Texas, Arizona, Arkansas, Louisiana and New Mexico

ATLANTIC CITY, NEW JERSEY
October 16-18
NACM Tri-State Conference, including New York, New Jersey and Eastern Pennsylvania
Host: New York Credit & Financial Management Association

BIRMINGHAM, ALABAMA
October 16-18
Annual Southeastern Credit Conference, covering Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Louisiana

WORCESTER, MASSACHUSETTS
October 22-23
New England District Credit Conference, covering Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

DAYTON, OHIO
October 23-24
Ohio Valley Regional Credit Conference, covering Ohio, Western Pennsylvania, West Virginia, Kentucky and Eastern Michigan

MINNEAPOLIS, MINNESOTA
October 24-26
Annual Midwest Credit Women's Conference

Should Gear Monetary Policy To Today's Economy: Silbert

Monetary policy today "requires more than mere control of the size and interest cost of the nation's money and credit," according to Theodore H. Silbert, president of Standard Financial Corporation, New York. "Our modern Sputnik economy requires a coordinated monetary policy covering banking, credit control, federal debt and lending policies, and federal budgetary financing, for the purpose of maintaining a dynamic economy, with growing production and consumption, and expanding employment."

Mr. Silbert likens present policy, based on 1913 machinery as patched up in the 1930's, to expecting a 1913 model auto, with 1933 accessories, to perform with 1958 high-octane rocket fuels. He notes that "restraint on bank credit is most seriously felt among smaller corporations."

Arkansas Talk by W. P. Rock

William Pennell Rock, executive director, Arkansas Industrial Development Commission, Little Rock, son of the late Frank D. Rock, NACM president in 1928-29, was speaker for the Chamber of Commerce on the state's industrial opportunities.

Company Presidents on Panel Evaluate Credit Management

Three company presidents, evaluating the place of the credit executive on the management team, agreed that the creditman's services "are indispensable in developing more volume from existing dealers, and creating new volume." In a panel discussion sponsored by The Credit Men's Association of Eastern Pennsylvania, these industry and bank officials offered their appraisals: Archie M. Morton, Elliott-Lewis Corporation; Bernard L. Salesky, Hat Corporation of America; J. W. St. Clair, Hajoca Corporation, and C. A. Sienkiewicz, Central-Penn National Bank, panel moderator. P. Edward Schenck, credit manager, Container Corporation of America, presided.

"A good credit executive gets out to visit dealers and helps them solve their problems," resulting in more business for the company and greater goodwill, according to president Morton, who added that in the appliance industry recently "there has been far more discussion of ways of meeting overhead and costs problems than of sales promotion."

"The credit executive must be a salesman, public relations man, advertising executive and a seeker of profits," according to president Salesky. "With imagination the creditman can create volume where it did not exist."

President St. Clair, stressing the sales role of credit, said the credit manager must "sell the firm's own salespeople on his ideas of what to do with customers, and sell customers on the value of credit."

Purchasing Agents Hear Nunlist

Robert A. Nunlist, assistant treasurer-credit manager, Armco Steel Corporation, addressed the Cincinnati Association of Purchasing Agents, Inc., on "Purchasing on Credit." Mr. Nunlist is past president and a director of the Cincinnati Association of Credit Men.

Milton Bruml Dies

Milton Bruml, assistant treasurer of Triangle Conduit and Cable Company, New Brunswick, N.J., died after a long illness. Mr. Bruml had been active in the National Electrical Manufacturers Credit Group of the National Association of Credit Men.

Roster of N.A.C.M. Nominations Committee

Chairman: Irwin Stumborg, Baldwin Piano Co., Cincinnati, Ohio

EASTERN DIVISION

PRESIDENT'S CHOICES

T. G. Morris, Pittsburgh-Des Moines Steel Co., Pittsburgh, Pa.
Fred W. Zander, United States Plywood Corp., New York, N. Y.

Alternates:—
John F. Berg, National Oil & Supply Co., Newark, N. J.
Donald M. Kladstrup, Eastman Kodak Co. of Rochester, Rochester, N. Y.

COUNCILLORS' CHOICES

Frank E. Holley, Genesee Valley Union Trust Co., Rochester, N. Y.
T. D. Sheriff, Hamburg Brothers, Inc., Pittsburgh, Pa.

Alternates:—
Earl R. Bromwell, The Maryland Trust Co., Baltimore, Md.
Harry Wilkinson, John B. Stetson Co., Philadelphia, Pa.

CENTRAL DIVISION

PRESIDENT'S CHOICES

Paul R. Gross, United States Steel Corp., Chicago, Ill.
Ivan D. Stewart, Aluminum Company of America, Detroit, Mich.

Alternates:—
M. D. Fields, Central Rubber & Supply Co., Indianapolis, Ind.
P. J. Wilder, Century Electric Co., St. Louis, Mo.

COUNCILLORS' CHOICES

T. A. Johnson, The Youngstown Sheet & Tube Co., Youngstown, Ohio.
Robert A. Nunlist, Armco Steel Corp., Middletown, Ohio.

Alternates:—
Milton H. Anderson, Graybar Electric Co., Cincinnati, Ohio.
Robert M. Young, Mansfield Tire & Rubber Co., Mansfield, Ohio.

SOUTHERN DIVISION

PRESIDENT'S CHOICES

G. Albert Knesel, Hibernia National Bank of New Orleans, New Orleans, La.
Martin Kroesche, Radoff Bros., Inc., Houston, Texas.

Alternates:—
J. C. Osborne, Trust Company of Georgia, Atlanta, Ga.
Ernest E. Winter, Jr., El Paso Natural Gas Products Co., El Paso, Texas.

COUNCILLORS' CHOICES

W. C. Fisher, East Tennessee Packing Co., Knoxville, Tenn.
T. D. Oxford, General Shoe Corp., Nashville, Tenn.

Alternates:—
Chris Kramer, Capitol Steel & Iron Works, Oklahoma City, Okla.
J. G. Martin, Westinghouse Electric Corp., Atlanta, Ga.

WESTERN DIVISION

PRESIDENT'S CHOICES

Clyde H. Jorgenson, Southwest Supply Co., San Diego, Calif.
K. Stanley Thompson, American Trust Co., San Francisco, Calif.

Alternates:—
Eugene Pogue, Hyster Sales Co., Portland, Ore.
W. L. Shaffer, Ferry Morse Seed Co., Santa Clara, Calif.

COUNCILLORS' CHOICES

Luther O. Green, Gamerston & Green Lumber Co., Oakland, Calif.
Wm. H. Keplinger, Crown Zellerbach Corp., San Francisco, Calif.

Alternates:—
Larry Folda, L. R. Folda Co., Lemon Grove, Calif.
Ralph V. Peoples, Continental Oil Co., Denver, Colo.

And THE FOLLOWING N.A.C.M. PAST PRESIDENTS

Paul J. Viall, Chattanooga Medicine Company, Chattanooga, Tenn.
C. Herbert Bradshaw, Bausch & Lomb Optical Company, Rochester, N. Y.
D. M. Messer, Dohrmann Commercial Co., San Francisco, Calif.
Victor C. Eggerding, Gaylord Container Corporation, St. Louis, Mo.

FINAL PROGRAMS OF INDUSTRY GROUP MEETINGS

WITH the Credit Congress coming in the midst of an economic setback, the discussions set for Industry Groups Day, the Tuesday of the May 18-22 convention week, promise dividends that no credit manager can afford to pass up.

Permeating the programs of practically all 36 trade groups represented are topics, either in formal addresses or panels, which promise practicable guides to the handling of special challenges to management arising out of the whetted competition and extended credit demands of a period of business stress.

Company presidents, educators and economic analysts will join bank and treasury officers in passing along experience-proven answers to the questions uppermost in the minds of credit managers today—such questions as marginal accounts, correspondence, degree of collection pressure, bad debt write-offs, credit-sales liaison, bank loans, public relations, and, perhaps above all, efficiency of operation.

Following are the final programs for the Industry Group meetings.

H. E. HULL

L. STOSKOPF, JR.

Advertising Media

Morning session: two open forum discussion periods and two formal talks.

First open forum subject: "The Problems of The Credit Department in Our Present Economic Situation". Discussion leader James M. McDaniel, credit manager, Indianapolis *Star and News*. Members from the floor will be selected to present their views on each specific feature.

Second open forum subject: "What Can Be Done to Minimize Risk in Certain Types of Advertising". Leader: Clarence W. Pierson, credit manager, Minneapolis *Star and Tribune*. Members from the floor will explain procedures adopted by their firms.

Talks: "Cash Discounts—Yes or No", R. V. DeBarry, controller, *State Journal*, Lansing, Mich.; "Cooperation Between the Credit and Advertising Departments on Problem Accounts", L. F. Sullivan, credit manager, Des Moines *Register and Tribune*.

Afternoon: first open forum topic: "Policies or Methods to Keep Collection Rate High in a Harder to Collect Market". Leader: Arthur A. Wendering, *Daily Gazette*, Berkeley, Calif.

Second open forum on "Bad Debt Write-Off—Too High or Too Low?" Leader: John F. Clarke, credit manager, Toronto *Star*. "Percentages of Write-Offs on Various Types of Advertising" will also be discussed.

Final presentation: formal talk by I. G. Bousquet, credit manager, *La Presse*, Montreal. Subject: "Are Outside Collectors Necessary?"

Automotive

Opening Address: "Credit and Collection Correspondence", by A. L. McGrath, assistant superintendent, Board of Education, Detroit.

Panel Discussion in forenoon: "Increasing Credit Department Efficiency". Moderator: T. M. Sherman, staff director, credit and collections, Thompson Products Co., Cleveland. Panel members and subjects: "Maintaining Proper Credit Records", Alvin H. Tanner, assistant secretary-treasurer, Hart's Automotive Parts Co., Chattanooga; "Collection Procedures", Harold Spaven, president, DeLuxe Motor Service, Inc., Detroit; "Selling Marginal Accounts", Lester C. F. Rothgeb, credit manager, Foster Auto Supply Co., Denver. General discussion.

Two speeches and a panel discussion in the afternoon.

Speeches: "Automotive Parts Manufacturers' and Wholesalers' Need for Capital and Sources of Capital", Thomas O. McDavid, vice president, Commercial Credit Corp., Baltimore; "Your Credit Association—What You May Expect From It", Carroll E. Swanson, secretary-manager, Credit Managers Association of Northern and Central California, San Francisco.

Panel discussion: "Looking Ahead". Moderator: David R. Pugh, Cedar Rapids (Iowa) Auto Supply Co. Panel members and subjects: "Salesmanship by the Credit Department", J. W. Marsteller, credit manager, The DeVilbiss Co., Toledo; "Credit Man of the Future", Joe Vallero, National Auto Supply Co., East St. Louis, Ill.

Bankers

This meeting will be held in the General Motors Technical Center. Bus transportation will be provided.

Following luncheon at the Center, address of welcome will be given by Charles T. Fisher, Jr., president, National Bank of Detroit and a director of General Motors Corporation.

Dr. Lawrence R. Hafstad, vice president in charge of research staff, General Motors, will speak on "Science and Engineering". He will be introduced by Richard C. Gerstenberg, treasurer, General Motors Corporation.

A tour of the General Motors Technical Center will follow, and busses will then take the delegates back to the Sheraton-Cadillac hotel for a cocktail party from 5 to 7 P.M.

Brewers, Distillers and Liquor Wholesalers

Three formal presentations in the morning; two in the afternoon. Question and answer period will follow each talk.

Morning topics and speakers: "Know Your Credit Association", Fred L. Lozes, secretary-manager, New Orleans Credit Men's Assn.; "The Function of the Credit Department", Gilbert H. Bush, general credit manager, National Distillers & Chemical Corp., New York; "The Classification of Accounts", Carol M. Cook, credit manager, Brown-Forman Distillers Corp., Louisville.

Afternoon: "Your Customers Are People", Oscar W. Harigel, vice president, Houston National Bank; "Credits in the Wholesale Liquor Industry in a State That Has Credit Regulations", Wheeler W. Wolters, credit manager, Capitol Liquor Co., Milwaukee.

Building Material and Construction

Forenoon addresses: "The World Outside", James F. Welsh, vice president, McCormick & Co., Baltimore; "Unmeasurable Losses", William B. Hall, vice president, The Detroit Bank & Trust Co.; "The Economic Outlook", B. F. Edwards, Jr., vice president, Bank of America, San Francisco. Discussion after each presentation.

Afternoon: Two talks and panel and open forum discussion.

Talks: "My Credit Association—What I Expect from It", J. C. Hoffman, assistant to vice president in charge of sales, Huron Portland Cement Co., Detroit; "Your Credit Association—What You Can Expect from It", J. H. Bryan, secretary-manager, National Association of Credit Men, Mid-South Unit, Memphis.

Panel subject: "Bonds". Moderator: J. W. McKay, general credit manager, The Flintkote Corp., East Rutherford, N. J. Panel members: William J. Reutter, second vice president, National Association of Surety Bond Producers, Detroit; second panel member to be announced. Mr. Reutter will give a talk on "Corporate Suretyship Performance and Payment Bonds". Open forum discussion.

Chemical and Allied Lines

Two formal talks and two panel discussions in the forenoon.

Talks: "How and Whom to Approach in Obtaining Bank Loans for Customers", Joseph G. Conway, assistant vice president, National Bank of Detroit; "Work Shops and the Credit Research Foundation", William L. Busch, credit manager, Chas. Pfizer & Co., Inc., New York.

Panel discussion: "Credit Department's Participation in Sales Meetings". Moder-

tor: John J. Costello, assistant general credit manager, Allied Chemical & Dye Corp., New York. Panel members: Richard G. Keyes, general credit manager, Olin-Mathieson Chemical Co., New York; W. H. Hawkins, division credit manager, E. I. du Pont de Nemours & Co., Wilmington; J. B. Knight, credit manager, Chemical Sales Division, Shell Chemical Corp., New York.

Second forenoon panel discussion: "Public Relations and the Credit Department". Moderator: J. J. Wenstrup, credit manager, Goodrich-Gulf Chemical Co., Cleveland. Panel members: J. R. Hughes, credit manager, Spencer Chemical Co., Kansas City, Mo.; Lowell Tompkins, general credit manager, Dow Chemical Co., Midland, Mich.; George F. Wingard, general credit manager, Monsanto Chemical Co., St. Louis.

Afternoon: Credit discussion on "The Custom Molding Company". Moderator: Lloyd Sinnickson, credit manager, American Cyanamid Co., New York.

Talks: "Traveling Credit Man", R. E. Johnson, B. F. Goodrich Chemical Co., Cleveland, and J. J Wenstrup, Goodrich-Gulf Chemical Co., Cleveland.

Panel discussion: "Accounts Receivable Turnover and Bad Debt Losses in the Chemical Industry". Moderator: Louis R. Compton, general credit manager, Harshaw Chemical Co., Cleveland. Panel members to be announced.

Confectionery Manufacturers

Joint morning session with Food Products and Allied Lines Manufacturers; participation in Group luncheon with Feed, Seed and Agricultural Suppliers and Food Products and Allied Lines Manufacturers. Guest speaker: Don Wattrick, sports director, Station WXYZ, Detroit. Subject: "Sports".

The meeting will open with announcements by W. W. McAdam, National Association of Credit Men, New York.

Morning talks: "The New Low Cost Distribution of Foods", Ray O. Harb, executive secretary, cooperative food distributors of America, Chicago; "The Graduate School—Past and Future", A. C. Bowen, Manager, Administrative Services, Walter Baker Division, General Foods Corp., Dorchester, Mass.

Dramatization of an interview where the credit manager meets the customer. Credit Manager portrayed by Al Nathanson, regional credit manager, Lever Brothers Co., Hammond, Ind.; Customer, Walter E. Schrage, regional credit manager, General Mills, Inc., Park Ridge, Ill.; Salesman, Willard W. Lange, Western District Credit Manager, American Sugar & Refining Co., Chicago.

Afternoon address: "You Have Your Own Satellites! The Local and National Associations Revolve Around You. Are You Making The Most of Their 'Guided' Services?", H. S. Garness, Milwaukee Association of Credit Men.

Open forum discussion: (1) "Where Do You 'Borrow' Your Ideas When Composing New Credit and Collection Letters? How Often Do You Revise Them?"; (2 "What Good Reading Program Should the Credit Manager Adopt to Keep Abreast of Business Conditions? How Do You Screen, Scan, and Digest the Financial Periodicals That Come Your Way?"; (3) "What's New in the Ways of Handling NSF and Returned Checks?"; (4) "Can You 'Bow Out Gracefully'? How Do You Say 'No' When You Refuse Open Terms to a Prospect? Who Delivers the Final Blow?"; (5) "Looking beyond the Orbit of Credit. Keeping Abreast of Activities and Trends in the Candy Industry. Have You a One-Track Mind?"; (6) How Can Trade Group Action Protect Creditors in Compromise Settlement Cases? How Is Such a Plan Organized?; (7) "Lots of Room on the Moon—But No Space in the Office. Have You Alleviated the Office Record Problem? New Methods to Reduce Space Consumed by Credit Records"; (8) "Credit and Traffic Men Often Walk Similar Paths. How Do These Departments Join Hands with regard to Refused Shipments, Mishandled COD and Sight Draft Shipments?"; (9) "Can the Credit Department Draw the Line? Are You Harassed with Unjust Claims, Requests for Credits, Tracing and Other Items Not in the Realm of the Credit Field?"

Discussion Leaders: H. L. Patterson, King Candy Co., Fort Worth; John C. Lamon, Kimbell Candy Co., Chicago; Marie R. Altieri, Fascination Candy Co., Inc., Chicago.

Question and answer period: "What's Your Problem?"


H. L. COTTRELL


R. E. CLARK

Drugs, Cosmetics and Pharmaceuticals

Two formal presentations and panel discussion.

Addresses: "Scoring Your Drug Store for Profit", Claude L. Smith, Manager Retail Trade Promotion, McKesson & Robbins, Inc., New York; "Drug Store Management", Dr. Floyd A. Grolle, College of Pharmacy, University of Michigan, Ann Arbor. Discussion period following each presentation.

Panel discussion: (1) "Using Salesmen as Collectors"; (2) "What Credit Executive Owes His Company and His Customer"; (3) "Maintaining Goodwill of Past and Future Customers"; (4) "Selling Marginal Accounts"; (5) "Collection Correspondence".

Moderator: J. W. McMonagle, Wyeth Laboratories, Philadelphia. Panel members: John H. Young, Kiefer-Stewart Co., Indianapolis; Joseph W. Stickley, Plough, Inc., Memphis; G. W. Adams, Parke, Davis & Co., Detroit; Daniel J. Fogarty, Grove Laboratories, St. Louis; F. Paul Smith, Bristol-Meyers Co., Hillside, N. J.

Electrical and Electronics Distributors

Morning session: one formal talk and an open forum discussion.

Talk: "Payment Bonds", Wm. J. Reutter, General Underwriters, Inc., Detroit, second vice president, National Association of Surety Bond Producers.

Open forum subject: "Department Operation and Credit Extension". Leaders: Robert M. Johnson, Motorola-Michigan, Inc., Detroit; R. J. Skinner, Frigidaire Sales Corp., Detroit; M. H. Anderson, Graybar Electric Co., Inc., Cincinnati.

Topics: "(1) "Credit Outlook for 1958-59"; (2) "Credit-Sales Department Cooperation"; (3) "Maintaining Goodwill of Past and Future Customers"; (4) "Salesmanship by the Credit Department"; (5) "Constructive Credit Department Assistance to Customers"; (6) "The Credit Man of the Future"; (7) "Increasing Credit Department Efficiency"; (8) "New Methods and Ideas in Credit Procedures"; (9) "Credit Limits As Guides—How and Why?" (10) "Financial Statements"; (11) "Materialmen's Liens on National, State, Municipal and Private Construction".

Afternoon speeches: "Association Services", L. F. Davis, secretary-manager, Detroit Association of Credit Men; "Bankruptcy", Judge Joseph C. Murphy, referee in bankruptcy, Detroit.

Open forum on "Collections", to include: (1) "Selling Marginal Accounts—Funds Lock Up and Risk"; (2) "Controlling Dollar Volume Accounts"; (3) "Methods of Reducing Old Account While Selling Currently"; (4) "Field Collections—Working Out Amicable Settlements"; (5) "Collecting Delinquent Accounts to Retain Customers"; (6) "Are the Present Credit Policies of Our Industry Sound?"; (7) "More Adequate Financing for Appliance Retailers"; (8) "Creditors Committees—Do They Accomplish Anything?"; (9) "Assignments for Benefit of Creditors"; (10) "The Bulk Sales Act".

Leaders: J. A. McCracken, Westinghouse Electric Supply, St. Louis; R. H. Love, Cadillac Electric Supply, Detroit; J. P. Keddy, Admiral Distributing Corp., Boston.

Joint industry luncheon with Electrical and Electronics Manufacturers.

Electrical and Electronics Manufacturers

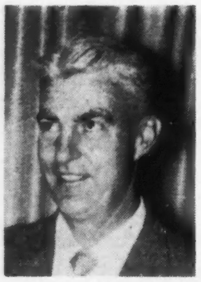
Forenoon addresses: "Your Association Can Aid in Reorganizations", Louis F. Davis, Detroit Association of Credit Men; "Does Your Training Do You Credit?", Louis Duenwig, director of training services, The Detroit Edison Co.

Informal discussion on "What's Happening to Credit?", led by W. E. Gallagher, Bussmann Manufacturing Division, McGraw-Edison Company, St. Louis.

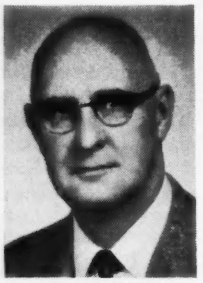
Afternoon: "You Tell 'Em", open forum and discussion in problem solving to include: (1) "Automation", (2) "Cash Discount Abusers"; (3) "Collection Procedure"; (4) "Communication—Inter Company"; (5) "Personal Calls on Customers".

Leaders: R. M. Wilder, Pass & Seymour, Inc., Syracuse; Donald B. Shaw, Howard W. Sams & Co., Inc. Indianapolis.

Joint luncheon with Electrical and Electronics Distributors.



H. R. KOUGHAN



R. F. CHAPMAN

W. L. HOUSE

C. V. COX

Feed, Seed and Agricultural Suppliers

Three speakers, two panel discussions.

Forenoon speaker: Mortyn K. Zietz, attorney, Providence, and counselor for numerous feed and allied industry companies. Subject: "How Products Liability Affects Credit".

Panel discussion: "Feed Credits". Moderator: L. A. Robbins, Lindsay-Robinson & Co., Inc., Roanoke. Panel members and subjects: "Turkey Feed Financing", Avery G. Fick, Nutrena Mills, Inc., Minneapolis; "Broiler Feed Financing", M. H. Wilke, Hales & Hunter Co., Chicago; "Layer and Pullet Feed Financing", R. Sheedy, Southern States Co-Operative, Inc., Richmond, Va.; "Outlook on Feed Credits", A. M. Stevens, Ralston Purina Co., St. Louis.

Afternoon addresses: "It's Your Association—Use It", Rubert Lindholm, secretary-manager, Credit and Financial Management Association, Minneapolis; "Economic Conditions and Trends in the Poultry Industry and Outlook for the Balance of 1958", W. Lyle Fitzgerald, agricultural economist, The Quaker Oats Co., Chicago.

Panel discussion: "Is the Trend of Our Credit Policies Sound?". Moderator: John H. Hembree, vice president, Union Planters National Bank, Memphis. Panel members: R. A. Scharf, Cargill Nutrena. Inc., Minneapolis; A. J. Powell, Central Soya Co., Inc., Fort Wayne; T. N. Gerreald, F. S. Royster Guano Co., Norfolk; L. R. Edmondson, Eli Lilly & Co., Indianapolis. Open discussion after each presentation.

Joint luncheon with the Confectionery Manufacturers and the Food Products and Allied Lines Manufacturers. Guest speaker: Don Wattrick, sports director, station WXYZ, Detroit, Mich. Subject: "Sports".

Fine Paper

Joint luncheon and afternoon session with the Paper Products and Converters Industry. Guest speaker at luncheon: Phyllis Grosshans, instructor in economics, University of Toledo. Subject: "'Peace' In Soviet Strategy".

Forenoon speakers and subjects: "Analysis of Balance Sheet", George F. Helwig, operations analyst, Rutten, Welling & Co., certified public accountants, Detroit, and chairman accounting faculty, University of Detroit; "Salesmanship in Credits", Vern S. Ames, general credit manager, Kimberly-Clark Corp., Neenah, Wis. Question and answer period after each talk.

Afternoon speaker: J. R. Leister, secretary-manager, The Credit Association of Northwestern Ohio, Toledo, on "It's Your Association—Use It!".

Panel and open forum: "Current Credit Problems". Moderator: H. H. Schroeder, credit manager, Marathon Division, American Can Co., Menasha, Wis. Panel members: From the Fine Paper Group—Leo Ash, assistant vice president and credit manager, Whitaker Paper Co., Detroit, and J. R. McCoy, president, Century Paper Co., Indianapolis, past president and director of The Indianapolis Association of Credit Men; from the Paper Products and Converters Group—Arthur Johnson, assistant treasurer, Container Corporation of America, Chicago, and Robert E. Smith, assistant general credit manager, Kimberly-Clark Corp., Neenah. The period will conclude with a summary by the moderator.

Floor Coverings and Furniture

Three formal talks, an open forum discussion period and a panel presentation.

Talks: "The Challenge of Preparation", William P. Layton, director of education, National Association of Credit Men, New York; "The Credit Man's Role in Customer Development", W. LeRoy House, secretary and assistant treasurer, Johnston Erwin Co., Atlanta; "The Problem of the Financially Embarrassed Debtor", Mortimer J. Davis, executive vice president, New York Credit and Financial Management Association.

Open forum: "How Today's Economy Affects Credit Risks", including (a) "Evaluation", (b) "Credit Limits", (c) "Collection Efforts". W. LeRoy House will be discussion leader.

Panel discussion: "Should a Supplier Assume the Responsibility of Customer Financing?" Moderator: Harry C. Pfost, credit manager, Simmons Company, Elizabeth, N. J. Panel members and subjects: "Is Customer Financing Practical?", Harry C. Pfost; "Advantages and Disadvantages of Customer Financing", Nelson Gilbert, vice president, Seneca Floor Covering Distributors, Buffalo, N. Y.; "The Future of Customer Financing" (speaker to be announced).

Food Products and Allied Lines Manufacturers

Joint morning session with Confectionery Manufacturers; participation in Group luncheon with Confectionery Manufacturers and Feed, Seed and Agricultural Suppliers Groups. Guest speaker; Don Wattrick, sports director, Station WXYZ, Detroit. Subject: "Sports".

Announcements by W. W. McAdam, National Association of Credit Men, New York.

Morning talks: "The New Low Cost Distribution of Foods", Ray O. Harb, executive secretary, Cooperative Food Distributors of America, Chicago; "The Graduate School—Past and Future", A. C. Bowen, manager, administrative services, Walter Baker Division, General Foods Corp., Dorchester, Mass.

Dramatization of an interview where the credit manager meets the customer. Credit Manager portrayed by Al Nathanson, Regional credit manager, Lever Brothers Co., Hammond, Ind.; Customer, Walter E. Schrage, regional credit manager, General Mills, Inc., Park Ridge, Ill.; Salesman, Willard W. Lange, western district credit manager, American Sugar & Refining Co., Chicago.

Afternoon open forum on "Braintrusting Food Manufacturing Credit Problems—Learn from Each Other." The leaders: S. M. Cole, credit manager, Ralston Purina Co., St. Louis, and C. V. Cox, credit manager, A. E. Staley Manufacturing Co., Decatur, Ill.

Open forum subjects: (1) "Terms of Sale—Method of Enforcement—Term Chiseling. Are the Present Industry Policies Sound? What Steps Are Being Taken to Reverse the Present Trend of Customer's Requests for Longer and Unusual Terms?", (2) "Increasing Credit Department Efficiency with New Methods and Ideas in Credit Procedures"; (3) "Economic Problems Peculiar to Our Industry—What Can We Do to Prepare for the Future?"; (4) "Selling Marginal Accounts—What Controls Are Necessary?"; (5) "Trends in Accounts Receivable Turnover"; (6) "How Can You Get Your Customer to Submit Financial Statements?"; (7) "The Traveling Credit Man—What to Look for and What to Ask?"; (8) "The Training of Sales Personnel in Credit Matters"; (9) "What's New in Accounts Receivable Systems since Our Meeting Last Year?".

Food Products Wholesalers

Four addresses and open forum discussion.

Speakers and subjects: "Creditors' Procedures in a Hypothetical Bankruptcy Case", A. M. Marks, Wells & Marks, attorneys, Cleveland; "Your Credit Association as a Working Tool in Salvaging an Insolvent Account", Daniel Taptich, manager, Adjustment Bureau, Detroit Association of Credit Men: "Merchandising Problems of the Retail Grocer—What Can We Do to Assist Him?", (speaker to be announced); "How Can a Credit Man Look behind a Balance Sheet and Assume a Hidden or Contingent Tax Liability?", Joe Narrin, resident partner, Ernst & Ernst, Detroit. Question and answer period after each presentation.

Open forum: "Credit Trends and Problems". Leader: W. A. McBratney, Land O'Lakes Creameries, Inc., Detroit.

Hardware Manufacturers

Opening address by Samuel H. Millman, CPA, Silver, Millman & Co., Chicago. Subject: "Tax Deficiencies and Your Customer's Credit Standing".

Panel and open forum. Moderator: John A. Lockard, credit manager, The Astrup Co., Cleveland. (Panel members to be announced.)

Panel subjects: (1) "Increased Demands

for Special Datings"; (2) "Effective Credit Department Reports to Management"; (3) "Selection and Training of Credit Department Personnel"; (4) "Accounts Receivable Insurance"; (5) "New Techniques to Improve Efficiency of Credit Department Operation"; (6) "Actual Credit Problems and Their Solution".

Afternoon talk: "Small Business Administration—What It Is—What It Does", F. W. Pritchard, regional director, Small Business Administration, Detroit.

"Brainstorming Session"—Roundtable discussion. Leader: J. Preston Miller, secretary and treasurer, Dexter Industries, Inc., Dexter Lock Division, Grand Rapids, Mich.

Highlight summary by B. L. Hunt, executive secretary, Cincinnati Association of Credit Men.

Joint Industry luncheon with Hardware Wholesalers and Paint, Varnish, Lacquer and Wallpaper Groups. Guest speaker: Richard H. Morris, R. H. Morris Associates, Westport, Conn. Subject: "The Weak Link in Customer Relations".

Hardware Wholesalers

Forenoon speakers and subjects: "Controlling Dollar Volume Accounts," Keith McDougall, vice-president and treasurer, Shapleigh Hardware Co., St. Louis; "Who's a Salesman?", William B. Gregory II, chairman of board and sales manager, Gregory & Leonard Office Equipment Co., Detroit.

Joint afternoon session with Paint, Varnish, Lacquer and Wallpaper Group.

Three formal talks:

"Two Plus Two Still Equals Four," Stanley M. Cox, assistant treasurer, Cook Paint & Varnish Co., Kansas City, Mo.; "An Appraisal of Business Prospects in the Year Ahead," Frank W. Housmann, Jr., vice president and assistant trust officer, National Bank of Detroit; "Trends in Accounts Receivable Turnover," Lawrence Holzman, secretary-manager, San Diego Wholesale Credit Men's Association. Question and answer period following each talk.

Joint luncheon with Hardware Manufacturers and Paint, Varnish, Lacquer and Wallpaper Industry Groups. Guest speaker: Richard H. Morris, R. H. Morris Associates, Westport, Conn. Subject: "The Weak Link in Customer Relations."

Hotels

Welcome address by Mark Schmidt, general manager, Sheraton-Cadillac Hotel, Detroit.

Forenoon speakers and subjects:

"Public Relations for Hotel Credit Managers," Godfrey H. Miller, industrial relations manager, Sheraton Corporation, Detroit; "A National Inn Keepers Law," Louis Charbonneau, attorney, Detroit; "A Program of Mutual Cooperation between F. B. I. and Hotels," Charles Brown, special agent, Federal Bureau of Investigation, Detroit. Discussion period will follow each presentation.

Afternoon panel discussion: "Accounting, Sales and Front Office Relationships with Credit Managers," to include (1) "Skippers—Exchange of Information," (2) "Control of Credit Cards," (3) "Collection Letter Procedures," (4) "Duties of Credit Managers."

Panel moderator: Harold Benjamin, Morrison hotel, Chicago. Panel members: J. J. Hartnagel, Detroit Leland hotel; D. H. Gardner, Statler-Hilton hotel, Detroit; Charles C. Miller, Sheraton-Gibson hotel, Cincinnati; T. Edmund Thomsen, Phillips hotel, Kansas City, Mo.; James Martin, Statler-Hilton hotel, Dallas.

Insurance

Morning session only, concluding with fellowship period and luncheon.

Business meeting and roundtable discussion on insurance activities, including "Atomic Industry, Sound Vibration and Other Special Hazards" (general discussion and report of special hazards subcommittee); "Credit Risks in Construction Contracts" (including report of special subcommittee on improved construction practices); "Federal and State Legislation Affecting Credit Aspects of Insurance—Compulsory Automobile, Flood Damage, etc."; "Standard Credit Forms" (discussion of proposed improvements for insurance data on Standard Financial Statements and other forms).

Iron and Steel, Non-Ferrous Metals and Related Lines

Four addresses and panel discussion.

Speakers and subjects: "The Mobilehome Industry—Its Problems and Potential", Robert Vickers, manager, Automotive Credit Service Division, National Credit Office, Inc., Detroit; "Monetary Policy", Russell A. Swaney, vice president, Federal Reserve Bank, Detroit; "Your Association", Ralph Johns, executive manager, Indianapolis Association of Credit Men; "New and Proposed Legislation Affecting Creditor's Rights", D. P. Taptich, manager, Adjustment Bureau, Detroit Association of Credit Men.

Afternoon panel: "Should Interest Be Charged on Past Due Accounts?". Moderator: J. C. Ogden, district credit manager, Aluminum Company of America, Dallas.

Panel members and subjects: "Why Interest Should Be Charged on Past Due Accounts", R. A. Yoder, vice president of finance, Detroit Steel Corp.; "Why Interest Should Not Be Charged on Past Due Accounts", L. T. Marsh, regional credit manager, Great Lakes Region, Reynolds Metals Co., Detroit; "Effect of Charging Interest on Past Due Accounts", Kenneth M. Wheeler, vice president, City Bank, Detroit.

General discussion topics: (1) "Government and Small Business"; (2) "Credit Outlook for Basic Metals, 1958-59", (3) "Ethics and Policies in Credit Management"; (4) "Effect of Tax Law Changes on Small Business".

Machinery and Supplies

Forenoon session: two talks and film presentation. Afternoon session will open with a talk, after which the meeting will divide into two groups, one the Machinery Group, the other the Suppliers Group, with separate programs. The meeting will conclude with a general assembly for an open forum discussion on any subject presented in the day's meeting.

Forenoon talks: "Let's Discuss Your Customer's Balance Sheet", J. Homer Hilf, district credit manager, Aluminum Company of America, Chicago; "The Banker's Appraisal of Current Conditions in the Metal Trades Industries", Robert W. Storer, vice president, Manufacturer's National Bank of Detroit.

Film in sound and color of Remington Rand's "SUIAP" accounting method for quick credit information.

Afternoon speaker: C. Fred Ensign, assistant treasurer, The Cleveland Twist Drill Co. Subject: "Credit Controls and Reports to Management".

Machinery Group program:

Speaker and subject: "Are Your Present Credit Policies Sound?", Walter Hoffman, Bureau of Credits, Detroit.

Two round table discussion Groups: (1) Manufacturers—Machinery and Capital Goods. Leader: Harry B. Wheeler, credit manager, The Warner & Swasey Co., Cleveland. (2) Dealers—Machinery and Capital Goods. Leader: Martin H. Van Dam, credit manager, Contractors Machinery Co., Grand Rapids.

Suppliers Group program:

Panel discussion: "Up-To-Date Methods of Credit Records". Moderator: Edna Marsch, Supplies, Inc., Chicago. Discussion leaders: Frank Zak, credit manager, Danly Machine Specialties, Inc., Chicago; Gertrude M. Miller, credit manager, Harris Steel Co., Chicago; Peter R. Niedema, credit manager, F. Raniville Co., Grand Rapids.

Industry luncheon at 12:30 P.M. (Guest speaker to be announced.) Subject: "What You Owe Your Industry Credit Group and Credit Association".

Meat Packers

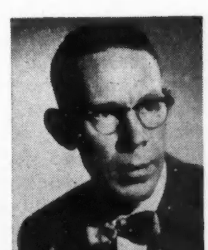
Four talks, with audience participation in the question and answer periods following each.

Speakers and subjects: "Factoring and Accounts Receivable Financing", David

O. B. TEARNEY

J. G. BREMNER

T. M. BAEHLER



OWEN OWEN

Salinger, vice president, Walter E. Heller & Co., Chicago; "Your Credit Association—What It Means to You and How You Can Best Utilize Its Services", Charles M. Gibbs, secretary-manager, Columbus Credit Association; "A Banker Looks at the Meat Packing Industry", C. W. Weldon, vice president, The First National Bank of Chicago; James C. McCarthy, dean emeritus, Notre Dame University, South Bend (subject to be announced).

Joint luncheon with Food Products Wholesalers. Guest speaker: Robert W. Storer, vice president, Manufacturers National Bank of Detroit. Subject: "The Economics of Banking—How It Affects You and Your Job".

Milling and Allied Lines

Meeting on Wednesday, May 21, beginning with a luncheon at 12:30 P.M. Guest speaker at luncheon: T. Hanold, treasurer, Pillsbury Mills, Inc., Minneapolis. Subject: "The Credit Man's Role in a Changing Economy".

Address: "Your Industry Group", R. Lindholm, secretary-manager, Credit and Financial Management Association, Minneapolis.

Open forum: "Credit Management Policies and Procedures", to include (1) "Formulating Effective Policy"; (2) "Are the Present Credit Policies of Our Industry Sound?"; (3) "Ethics and Policies in Credit Management"; (4) "Administering Procedures—(a) Terms, (b) Credit Controls"; (5) "Public Relations—(a) Customer, (b) Other Suppliers". Leader: O. W. Bullen, Lever Bros. Co., New York.

Open forum: "Trends—Past, Present and Future of the Baking Industry", to include (1) "Economic Problems Peculiar to Our Industry"; (2) "Taxes as They Affect Our Customers"—such as hidden taxes in financial statements; (3) "Trends in Accounts Receivable Turnover"; (4) "Legislation Affecting Credit in Our Industry"; (5) "What Can We Do in Our Industry to Prepare for the Future?"; (6) "The Future Tax Outlook". Leader: R. Berg, General Mills, Inc., Park Ridge, Ill.

Open forum: "Credit and Sales Relationships", to include (1) "Credit Salesmanship"; (2) "Credit-Sales Cooperation"; (3) "Maximizing Sales and Minimizing Losses"; (4) "Salesmen as Collectors"; (5) "Customer Goodwill". Leader: F. M. Hulbert, Procter & Gamble Distributing Co., Cincinnati.

Oil Field Services and Supplies

Four talks and open forum period.

Speakers and subjects: "Trend of Money Rates and Availability of Oil Country Loans", W. L. Holmes, asst. treasurer, Schlumberger Well Surveying Corp, Houston; "Credit-Sales Department Cooperation", John Adams, credit manager, Superior Iron Works, Shreveport; "Credit and Legal Problems in Foreign Countries", (speaker to be announced); "Automation", (speaker to be announced).

Open forum: "Cooperation with Management in Trainee Program". Leader: D. T. Brooks, Schlumberger Well Surveying Corp., Houston.

Joint Industry luncheon with Petroleum Industry. Guest speaker: Charles "Chuck" F. Rosen, executive vice president, W. B. Doner & Co., Detroit. Subject: "What Goes On Behind Your Television Screen".

Paint, Varnish, Lacquer and Wallpaper

Open forum period in forenoon. Subject: "Special Credit Department Problems," including (1) "Cooperation with and from Sales Department," (2) "Credit Limits," (3) "Credit Information," (4) "Restricting Credit to Established Accounts," (5) "Customer Counseling," (6) "Distress Situations."

Panel moderator: Edward Merchant, Jr., products credit manager, E. I. du Pont de Nemours & Co., Wilmington. Panel members: R. W. Patterson, general credit manager, Glidden Co., Cleveland; W. A. Elliott, vice president, Frazer Paint Co., Detroit; A. H. MacNabo, general credit manager, Acme Quality Paints, Inc., Detroit.

Joint afternoon session with Hardware Wholesalers.

Three formal talks:

"Two Plus Two Still Equals Four," Stanley M. Cox, assistant treasurer, Cook Paint & Varnish Co., Kansas City, Mo.; "An Appraisal of Business Prospects in the Year Ahead," Frank W. Housmann, Jr., vice president and assistant trust officer, National Bank of Detroit; "Trends in Accounts Receivable Turnover," Lawrence Holzman, secretary-manager, San Diego Wholesale Credit Men's Association. Question and answer period will follow each talk.

Joint luncheon with Hardware Manufacturers and Hardware Wholesalers. Guest speaker: Richard H. Morris, R. H. Morris Associates, Westport, Conn. Subject: "The Weak Link in Customer Relations."

Paper Products and Converters

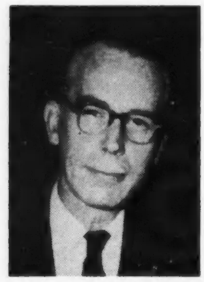
Forenoon speakers and subjects: "Comparative Collective Rights of Creditors under State and Federal Law", B. Bernard Wolson, attorney, Toledo; "Ratio Analysis of Financial Statements", Elmer C. Stanton, senior credit specialist, Toledo Scale Co.

Joint Industry luncheon and afternoon session with Fine Paper Industry. Guest speaker at luncheon: Phyllis Grosshans, instructor in economics, University of Toledo. Subject: " 'Peace' In Soviet Strategy".

Afternoon speaker: J. R. Leister, secretary-manager, The Credit Association of Northwestern Ohio, Toledo. Subject: "It's Your Association—Use It!"

Panel and open forum: "Current Credit Problems". Moderator: H. H. Schroeder, credit manager, Marathon Division, American Can Co., Menasha, Wis.

Panel members: From the Fine Paper Group—Leo Ash, assistant vice president and credit manager, Whitaker Paper Co., Detroit, and J. R. McCoy, president, Century Paper Co., Indianapolis, past president and director of The Indianapolis Association of Credit Men. From the Paper Products and Converters Group—


GEORGE GRASS


R. R. STEVENS

Arthur Johnson, assistant treasurer, Container Corporation of America, Chicago; and Robert E. Smith, assistant general credit manager, Kimberly-Clark Corp., Neenah.

The panel and open forum discussion will conclude with a summary by the moderator.

Petroleum

Opening address by V. H. Kellerman, president, Star Oil Co., Port Huron, Mich. Subject: "A Realistic Look at the Oil Jobber's Future and How to Prepare for It".

Open forum: "Credit-Sales Department Cooperation". Leaders: Robert C. Ward, regional credit manager, Sun Oil Co., Toledo, and K. W. Cunningham, assistant regional sales manager, Sun Oil Co., Detroit.

Panel discussion: "What Are You Doing to Educate Your Dealers?" Moderator: H. F. Redford, credit manager, Standard Oil Co., Detroit. Panel members: H. W. Dugdale, credit manager, Shell Oil Co., Detroit, and John Brickner, consular business education, State of Michigan Department of Public Instruction, Lansing.

Afternoon speaker and subject: "Your Credit Association—What You Can Expect from It", D. R. Meredith, executive secretary, The Credit Association of Western Pennsylvania, Pittsburgh.

Panel discussion—moderator: Robert C. Utley, Aurora Gasoline Co., Detroit. Panel members: Lee T. Kendrick, division credit manager, Gulf Oil Corp., Atlanta, and H. M. McDonald, general credit manager, Cities Service Oil Co., Chicago.

Panel subjects: (1) "How Can We Help Small Business?"; (2) "Economic Problems Peculiar to Our Industry"; (3) "Increasing Credit Department Efficiency"; (4) "Trends in Accounts Receivable Turnover"; (5) "New Methods and Ideas in Credit Procedures"; (6) "The Future—What Can We Do in Our Industry to Prepare for It?". Question and answer period after each presentation.

Joint luncheon with Oil Field Services and Supplies Industry. Guest speaker: Charles "Chuck" F. Rosen, executive vice president, W. B. Doner & Co., Detroit. Subject: "What Goes On behind Your Television Screen".

Photographic Manufacturers and Distributors

Four formal talks and a series of illustrated presentations.

Speakers and subjects: "From the Dealer's Point of View", Joseph F. Gugala, Gugala Camera Shop, Hamtramck, Mich.:

"The Weak Link in Maintaining Good Customer Relations", Richard H. Morris, R. H. Morris Associates, correspondence consultants, Westport, Conn.; "Detecting the Danger Signs", Donald R. Mandich, assistant cashier, Detroit Bank & Trust Company; "The Customer's Last Mile—How to Handle it", Daniel P. Taptich, Adjustment Bureau manager, Detroit Association of Credit Men.

A series of illustrated presentations on "Methods of Controlling Credit with Multiple Shipping Points", by Robert Clive, Keystone Camera Co., Inc., Boston; David G. Moses, Reflex Corp., Rochester, N. Y.; H. S. Tewksbury, Ansco, Inc., Binghamton, N. Y.; Mary F. Radford, Hornstein Photo Sales, Inc., Chicago; John T. Hughes, Bell & Howell Co., Chicago; Donald M. Kladstrup, Eastman Kodak Co., Rochester (and others).

Plumbing, Heating, Refrigeration and Air Conditioning

Five addresses, with audience participation in the question and answer period following each presentation.

Speakers and subjects: "Salesmanship in the Credit Department," Max E. McGrath, district sales manager, General Electric Credit Corp., Detroit; "Insurance as It Pertains to Credit," Dean W. Howland, The Dean W. Howland Agency, Detroit; "Credit Man's Concern with Recent Trend toward Increase in Bankruptcy," Clarence J. Wagner, attorney, Wagner & Bailey, Minneapolis; "You Are No Stronger Financially Than Your Weakest Customer," Gerard J. Hodkinson, CPA, Arthur Young & Co., Detroit; "The Economic Outlook," Robert W. Storer, vice president, Manufacturer's National Bank of Detroit.

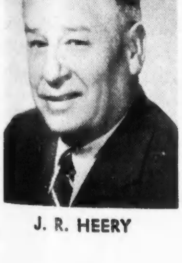
Public Utilities

Afternoon session Monday, convening at 2:00 o'clock, and all day session Tuesday.

Addresses of Welcome—E. O. George, vice president in charge of sales, Detroit Edison Co., and Fred Kaiser, vice president in charge of sales, Michigan Consolidated Gas Co., Detroit.

Formal presentations:

"Your Credit Association", Edward H. Kurtz, executive secretary, The Omaha Association of Credit Men; "Damage Claims", Ray Metzger, director claims and safety, Toledo Edison Co.; "The Economics of Human Relations", Robert S. Soule, vice president, Monongahela Power Co., Fairmont, W. Va.


J. R. HEERY


J. B. MENSING

Tuesday forenoon addresses: "Cost Savers in Credit and Collection Practices and Procedures", W. Ray Burkholder, Louisville Gas & Electric Co.; "Modernize Your Letter Writing", Professor Robert Robb, Wayne State University, Detroit; "The Long High Look of the Next Ten Years", Thomas R. Reid, director office of civic affairs, Ford Motor Co., Dearborn, Mich.

Afternoon "Think Shop" session. Discussion leaders: T. Fanning, Michigan Consolidated Gas Co., Detroit; H. Fitzpatrick, Michigan Consolidated Gas Co., Detroit; P. Hanlon, Atlantic City (N.J.) Electric Co.; T. Hannon, Philadelphia Gas Works; R. B. Herrold, The Ohio Fuel Gas Co., Columbus; T. J. Ireland, Monongahela Power Co., Fairmont, W. Va.; W. R. Irwin, Equitable Gas Co., Pittsburgh; E. R. Johnston, West Penn Power Co., Greensburg, Pa.; G. R. McLaughlin, Northern Illinois Gas Co., Aurora, Ill.; N. M. Scharf, Toledo Edison Co.; F. Speier, The Detroit Edison Co. Report from the discussion leaders.

Open forum general discussion of industry problems. Leader: R. B. Mitchell, The Peoples Gas Light & Coke Co., Chicago.

Industry luncheon on Tuesday. Guest speaker: Edgar A. (Bud) Guest, Jr. Subject: "Sunny Side of the Street".

Textile

Morning session only.

Speakers and subjects:

"Factoring and Commercial Financing as Credit Supplements", Herbert R. Silverman, executive vice president, James Talcott, Inc., New York, and Harry J. Delaney, vice president, John P. Maguire & Co., Inc. New York.

"Arbitration, The Business Man's Forum—Its Advantages and Disadvantages", Aaron Rosen, attorney, Otterbourg, Steindler, Houston & Rosen, New York, and Martin N. Whyman, attorney, Whyman & Lazarus, New York.

Wearing Apparel and Footwear

Forenoon speakers and subjects: "Milady Has Problems," Miss Anne K. Mann, Koret of California, Inc., San Francisco; "Sales Volume from Marginal Credit Risks," Alan L. Wehrheim, Michaels Stern & Co., Rochester, N. Y.; "Retailer's Problems in These Times," Harry Jacobson, Harry Jacobson, Inc., Cleveland.

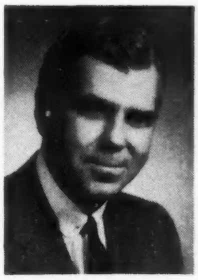
Afternoon talk: "Special Terms," James J. Moore, B. Kuppenheimer & Co., Inc., Chicago.

Panel and open forum: "Current Credit Problems."

Panel moderator: Willard W. Thomas, Campus Sweater & Sportswear Co., Cleveland. Panel members: Joseph D. Coogan, Manhattan Shirt Co., Paterson, N. J., and James E. Coats, Jantzen, Inc., Portland, Ore.

Industry luncheon guest speaker: Harry Jacobson, nationally known retailer and final speaker at the morning session, who will comment on some humorous sidelights.


F. L. DRAKE


H. W. DUGDALE

Brainard Retires as Chief of San Francisco Board of Trade

George W. Brainard, whose active cooperation with the National Association of Credit Men and the Credit Managers Association of Northern and Central California extended over a half century, has retired as executive vice president of the Board of Trade of San Francisco.


G. W. BRAINARD

Mr. Brainard, now 75, had been employed by the Southern Pacific Company before joining the Board of Trade in 1908. He was elected secretary in 1914 and added the office of executive vice president in 1939. Because of his impaired health and the increasingly heavy duties of the secretaryship, in 1950 the board of directors decided to augment the executive staff. Walter J. Hempy was appointed secretary and George H. Meyer assistant secretary.

Mr. Brainard continued as executive vice president until the end of March this year, after 50 years and three months of unflagging service to the Board of Trade and credit organization. His home is at 14 Bridge Road, Berkeley.

J. B. Funk Named to Head Esquire Club in New York

Joseph B. Funk, Textile Banking Company, New York, has been elected president of the Esquire Club. Charles R. Catlin of John P. Maguire & Co., whom he succeeds, has been named to the board of governors.

Other officers of the Esquire Club are George S. Saylor, John P. Maguire & Co., vice president; Joseph Daly, William Iselin & Co., secretary, and Theodore Ulick, Belding Hemingway Company, treasurer.

Reports from the Field

New York, N. Y.—Dr. Murray Banks, psychologist, author and university lecturer, spoke on "What to Do until the Psychiatrist Comes" at the annual meeting and banquet in honor of the officers and directors of the New York Credit & Financial Management Association.

At a seminar on "Punched Card Accounting—As Related to the Credit Department," the first session was conducted by Michael A. C. Hume, partner in Hume Associates, consultants. The second session was led by O. W. Bullen, general credit manager of Lever Brothers Company, and John J. Lynch, credit manager, book accounts division, Prentice-Hall, Inc.

Green Bay, Wis.—William B. Gilmour, manager consumer research division and senior economist, Inland Steel Company, Chicago, appraised the economic outlook for the Northern Wisconsin-Michigan Association of Credit Men at the regular dinner meeting. Earlier, Orville B. Tearney, manager of credits and corporate insurance of the Inland Steel Co., speaker at a dinner meeting sponsored by the Central Wisconsin Association of Credit Men, in Fond du Lac, had for his topic "The Credit Department and Its Problems."

Syracuse, N. Y.—Dr. Raymond Rodgers, professor of banking, New York University school of commerce, accounts and finance and in the graduate school, also faculty member, NACM Graduate School of Credit & Financial Management, discussed factors in today's economy at the meeting of the Syracuse Association of Credit Men.

Mansfield, Ohio—"A Banker's Approach to Your Credit Problems", panel subject of the meeting of the North Central Ohio Division, NACM, had as moderator George R. Patten, vice president, Richland Trust Co., and these participants: John F. Knight, vice president and secretary, Richland Trust Co.; Sidney A. Foltz, assistant treasurer, Richland Trust Co., and William A. Stroud, manager credit department, First National Bank.

Peoria, Ill.—Sam J. Schneider, special representative, NACM, addressed the dinner meeting of the Peoria Association of Wholesale Credit Men.

Worcester, Mass.—Responsibilities of the public accountant provided the topic for Stanley R. Thomas, Jr., partner in Price, Waterhouse & Co., Boston, at the dinner meeting of the Worcester County Association of Credit Men. At the following meeting, Frank B. Stowell, consulting reporter, Dun & Bradstreet, Inc., Boston, gave an analysis of financial statements.

Newark, N. J.—The accounting advisory council of the New Jersey Association of Credit Executives sponsored a credit forum meeting with these speakers and topics: Philip J. Sandmaier, Jr., Haskins & Sells, "Appraising Financial Statements"; Robert J. Boutillier, Peat, Marwick, Mitchell & Co., "Meaning of the Auditor's Report", and Joseph D. Coughlan, Price, Waterhouse & Co., "Possible Income Tax Complications."

Hartford, Conn.—Mitchell Sviridoff, president, Connecticut State Labor Council, A.F.L.-C.I.O., and assistant regional director, United Auto Workers, spoke before the Hartford Association of Credit Men, at their dinner meeting. Mr. Sviridoff in 1953 was recipient of the Bishop McAuliffe medal for notable service in the promotion of industrial relations.

Houston, Texas—J. Allen Walker, general credit manager, Standard Oil Company of California, NACM president, addressed more than 100 members and guests of the Houston Association of Credit Men, Inc., on the subject "Credit 1958."

Milwaukee, Wis.—A combined meeting of the Milwaukee Association of Credit Men, the Credit Women's Group, National Institute of Credit, and Industry Groups, heard James H. Donovan, assistant treasurer, Jones & Laughlin Steel Corp., Pittsburgh, NACM eastern division vice president, in a discussion of "Adequate and Effective Communication with Sales."

Columbus, Ohio—Henry H. Heimann, executive vice president, National Association of Credit Men, speaker at the dinner meeting of the Columbus Credit Association, noted that "our country had not experienced the customary postwar adjustment" and that "a breathing spell was overdue." He added: "Now that we are experiencing it we should not suddenly grow pessimistic as to our future."

Sioux City, Iowa—Sam J. Schneider, special representative, National Association of Credit Men, addressed the Interstate Division, NACM, and presented a certificate of merit to Mrs. Lona Paris, past president of the association.

Pittsburgh, Pa.—At a Credo luncheon meeting of The Credit Association of Western Pennsylvania, "Credit Implications of Realistic Depreciation" was the subject of Edward H. Eaton, vice president and treasurer, Pittsburgh Forgings Co.

Successive meetings of the association had these speakers: Munro Corbin, vice president, Rockwell Manufacturing Co., who made a "Clinical Diagnosis of a Business"; Robert A. Kavesh, economist, The Chase Manhattan Bank of New York, who discussed "Tight Money"; and Thomas D. McElroy, credit manager, National Supply Co., Spang-Chalfant Div., on "Selling Credit Importance to the Whole Company—via Trainees."

Fort Worth, Texas—Edwin B. Moran, vice president, NACM, addressing the Fort Worth Association of Credit Men on business conditions, likened the current economy to "a shakedown cruise" that will "probably continue for several months."

Toledo, Ohio—Toledo Sales Executives Club and the Credit Association of Northwestern Ohio jointly sponsored a panel discussion on the subject "Sales vs. Credit?" Speaking for Sales: C. A. Lawrence, vice president and sales manager, Paper Merchants, Inc., and Bernard J. Bathel, general sales manager, Babcock Dairy Co. For Credit: John E. Taylor, credit manager, Surface Combustion Corp., and William F. Fox, secretary-treasurer, Heating Trades Supplies, Inc. Norbert S. House, treasurer, Howard Zink Corp., was moderator.

El Paso, Texas—Credit problems in the building industry occupied panelists in discussion at the meeting of the Tri-State Credit Association's Lumber and Buildings Group. Participants were George Staten, Lander Lumber Co.; Ed Embry, Momsen-Dunnegan-Ryan Co.; L. H. Koogle, Triangle Electric Supply Co., director NACM, and J. L. Vance, Association general manager-secretary.

Baltimore, Md.—"Executive Health—Its Problems and Implications" had professional attention from Dr. Henry F. Buettner, M.D., at the dinner meeting of the Baltimore Association of Credit Men.